



ANNUAL  
REPORT

2017-18



# CONTENTS

## COMPANY'S OVERVIEW

---

- Corporate Information.....05
- Message From Chairman.....06
- Financial Highlights (Standalone).....08

## STATUTORY REPORTS

---

- Notice of 52<sup>nd</sup> Annual General Meeting..... 88
- Directors' Report..... 09
- Secretarial Audit Report.....26
- Report on Corporate Governance..... 34

## FINANCIAL STATEMENTS (Standalone)

---

- Independent Auditors' Report..... 40
- Balance Sheet.....46
- Statement of Profit and Loss..... 47
- Cash Flow Statement..... 49
- Notes to the Financial Statements.....50

## FINANCIAL STATEMENTS (Consolidated)

---

- Independent Auditors' Report..... 65
- Balance Sheet.....69
- Statement of Profit and Loss.....70
- Cash Flow Statement..... 71
- Notes to the Financial Statements.....73



***GSEC***<sup>®</sup>

## CORPORATE INFORMATION

### **BOARD OF DIRECTORS:**

SHRI RAKESH SHAH	CHAIRMAN & MANAGING DIRECTOR
SHRI SAMIR MANKAD	CEO & WHOLETIME DIRECTOR
SHRI SHAISHAV SHAH	WHOLETIME DIRECTOR
SMT RAJI SHAH	WHOLETIME DIRECTOR
SHRI BHALABHAI PATEL	DIRECTOR
SHRI SANDIP PARIKH	DIRECTOR
#SHRI MAHESWAR SAHU	DIRECTOR

### **BOARD COMMITTEES:**

<b>Audit</b>	<b>Nomination and Remuneration</b>	<b>Share Transfer and Grievances</b>
SHRI SANDIP PARIKH	SHRI SANDIP PARIKH	SHRI SANDIP PARIKH
SHRI BHALABHAI PATEL	SHRI BHALABHAI PATEL	SHRI RAKESH SHAH
SHRI SAMIR MANKAD	#SHRI MAHESWAR SAHU	SHRI SAMIR MANKAD
#SHRI MAHESWAR SAHU		

**COMPANY SECRETARY:** SHRI CHINTAN PATEL

### **PROFESSIONAL ACQUAINTANCES:**

<b>Statutory Auditors</b>	<b>Internal Auditors</b>	<b>Corporate Law Advisors</b>
M/s. BJS & Associates, Chartered Accountants, Ahmedabad	M/s. Dharmesh Parikh & Co., Chartered Accountants, Ahmedabad	M/s. Umesh Parikh & Associates Company Secretaries, Ahmedabad

### **INVESTORS' CONTACT:**

<b>Registered Office:</b>	<b>Registrar &amp; Transfer Agents:</b>
Gujarat Chambers Building, Ashram Road, Ahmedabad-380009. Phone: 079-2655 4100/2657 5757 Fax: 079-26584040 E Mail: <a href="mailto:cs@gsecl.co.in">cs@gsecl.co.in</a> Website: <a href="http://www.gsecl.co.in">www.gsecl.co.in</a> CIN: U52100GJ1965PLC001347	Bigshare Services Private Limited A/802, Samudra Complex, Near Girish Cold Drink Cross Road, Off C G Road, Ahmedabad-380009. Phone: 079- 40024135 E Mail: <a href="mailto:bssahd@bigshareonline.com">bssahd@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

**BANKERS:** STATE BANK OF INDIA

# Appointed as on 27.04.2018

# MESSAGE FROM CHAIRMAN



---

*Transformation Literally  
Means Going Beyond  
Your Form*

---

Dear Fellow Shareholders,

I take immense pleasure in sharing with you all the highlights of our Company's performance for the financial year ended March 31, 2018.

As an organisation, we have always set our eyes for the future and capitalised on opportunities. As we are constantly pursuing excellence and embracing change. Through innovation, we are committed to offer excellent services and create greater value for our stakeholders and customers.

The bygone financial year was a year of great contrasts. Amidst stern challenges, we found great opportunities. The results were a reflection of the tough times. But our commitment to our core Company values and business philosophy inspire us to take on the challenges head on. Guided by an experienced senior leadership and backed by consistent efforts and team work, I can assure you that we are responding to the challenges very well. Our focus is to provide best integrated cargo handling services with at most all latest equipment and sufficient manpower.

I am very happy to inform you that our consistent efforts to get space at the airport premises at Visakhapatnam have been successful. We began our operations from the airport premises in November 2018. We expect a very good growth at this airport.

We will continue to look for new opportunity to add value to our shareholders .

### **Financial Performance**

**The consolidated financial performance for the 12 months ended March 31, 2018, is as follows:**

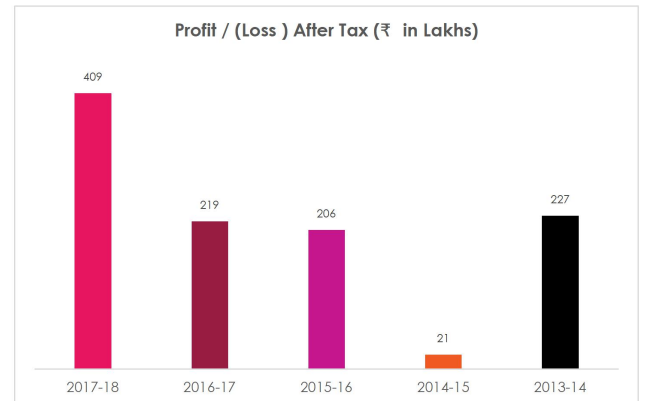
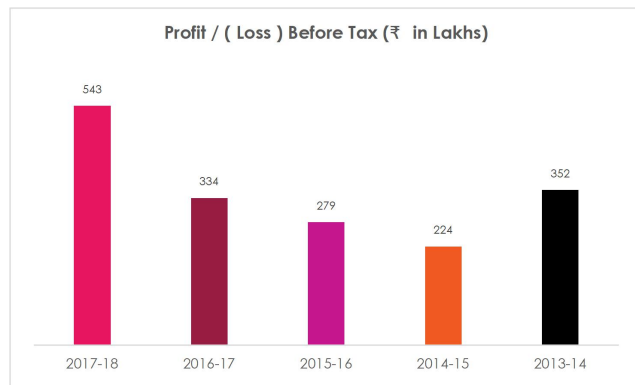
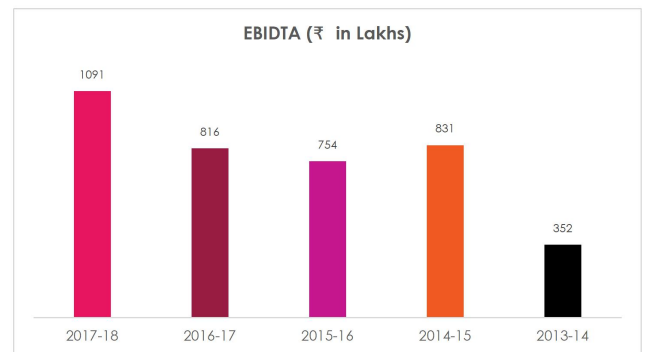
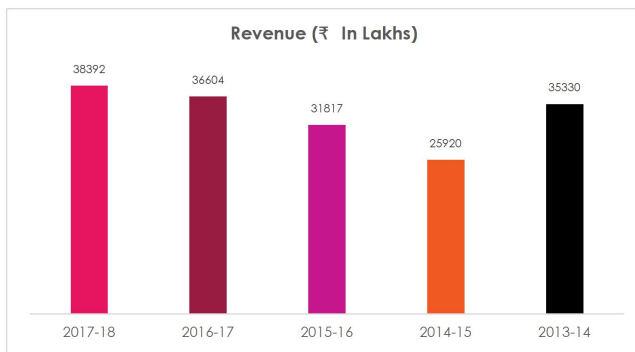
- Total income from operations at Rs. 38416.76 Lakhs for the year ended March 31, 2018
- EBIDTA at Rs. 1114.96 Lakhs for the year ended March 31, 2018
- EBIT of Rs. 824.03 Lakhs for the year ended March 31, 2018
- PAT of Rs. 421.59 Lakhs for the year ended March 31, 2018
- EPS for the year ended March 31, 2018 was Rs. 5.58 for a face value of Rs.10/- per share

Overall, our focus continues to be on driving the Company's Revenue and Profitability growth, increasing Return on Capital Employed and asset utilizations and improving cash flows across all our businesses.

Before I conclude, I would like to thank you for your support, consistent commitment, engagement and encouragement. We continue to seek your participation in our next leg of growth and footprint expansion.

**Sincerely,**  
**RAKESH SHAH**  
**Chairman & Managing Director**

## OUR FIVE YEAR SNAPSHOT





## DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present herewith the 52<sup>nd</sup> Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended, 31<sup>st</sup> March, 2018.

### STANDALONE FINANCIAL AND OPERATIONAL HIGHLIGHTS:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Net Revenue from Operations	37715.42	36235.34
Other Operating Revenue	252.00	202.51
<b>Revenue from Operations</b>	<b>37967.42</b>	<b>36437.85</b>
Other Income	424.20	166.24
<b>Total Revenue</b>	<b>38391.62</b>	<b>36604.10</b>
<b>Profit before financial charges, Depreciation and taxation</b>	<b>1090.62</b>	<b>816.20</b>
Less: Financial charges	267.89	235.31
Less: Depreciation and amortization expenses	279.79	246.85
<b>Profit before exceptional and prior period items and tax</b>	<b>542.94</b>	<b>334.04</b>
Less: Exceptional items	0.00	0.00
Less: Prior period items	0.00	0.00
<b>Profit before tax</b>	<b>542.94</b>	<b>334.04</b>
Less: Current Tax	143.60	112.70
Less: Deferred Tax Liability	(10.12)	2.11
Less: Provision for tax of earlier years	0.15	0.02
<b>Profit after taxation</b>	<b>409.31</b>	<b>219.21</b>
<b>Earnings Per Equity Share (in ₹)</b>	<b>5.42</b>	<b>2.90</b>

### PERFORMANCE REVIEW:

During the financial year ended March 31, 2018, your Company recorded a total revenue of ₹ 38391.62 Lakhs as compared to ₹ 36604.10 Lakhs during the previous financial year ended March 31, 2017. The Profit before exceptional and prior period items and tax of your Company for the financial year ended March 31, 2018 stood at ₹ 542.94 Lakhs as against the previous financial year ended March 31, 2017 was ₹ 334.04 Lakhs. Accordingly, Net profit after tax stood at ₹ 409.31 as against the previous financial year ended March 31, 2017 was ₹ 219.21 Lakhs which reflects a growth of 86.72% over the corresponding Profit for the financial year ended March 31, 2017.

### DIVIDEND:

The Board recommends payment of dividend of ₹ 0.50/- (Fifty Paise) per share on 7550000 Equity shares of face value of ₹ 10/- each for the year ended March 31, 2018.

### TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve during the financial year ended March 31, 2018.

### SHARE CAPITAL STRUCTURE OF THE COMPANY:

The paid up capital of the company as on March 31, 2018 was ₹ 7,55,00,000/- divided in to 75,50,000 Equity shares of ₹ 10/- Each. There was no change in the Equity shares capital of the company during the financial year ended March 31, 2018.

### MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Subsequent to the end of the financial year on March 31, 2018 till date, there has been no material change and/or commitment which may affect the financial position of the Company.

### DIRECTORS AND SENIOR MANAGERIAL PERSONNEL:

The Board of Directors is duly constituted with 7 (Seven) Directors with 3 (Three) of them being Independent Directors.

### **Changes in of Directors:-**

Shri Natubhai Patel (DIN: 00027540) has resigned as a Director of the Company with effect from April 1, 2018 on account of pre-occupancy. The Board places on record its sincere appreciation for the valuable contributions made by him during his tenure as a Director on the Board of the Company.

Shri Chinubhai Shah (DIN: 005538310) ceased to be director as on June 6, 2018 due to untimely sad demise. He was on the Board of Directors of the company since 2004 and has served the Board for a period of more than 14 years.

The Board places on record the invaluable contributions of Late Shri Chinubhai R. Shah, the beloved Director of the GSEC Limited. His exemplary vision and perseverance helped the Company to become one of the most admired organisations. He has been very instrumental in bringing the Company to the present level. We pray that his soul rest in peace.

Shri Samir Mankad, Whole Time Director has been designated as Chief Executive Officer w.e.f. 1<sup>st</sup> April, 2017.

### **Directors retire by rotation:-**

In accordance with Section 152 of the Companies Act, 2013, Shri Samir Mankad (DIN: 00421878) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### **Appointment of Directors:-**

Shri Maheswar Sahu (DIN: 00034051), has been appointed as an Additional Director by the Board with effect from April 27, 2018, in the category of Independent Director for the term of five years, subject to approval of the Members at the ensuing Annual General Meeting. The Company has received notice from a shareholder in terms of Section 160 of the Companies Act, 2013 proposing the appointment of Shri Sahu as Director of the Company at the ensuing Annual General Meeting.

Smt. Raji Shah (DIN: 06893581) was appointed as an Additional Director and subsequently as whole Time Director of the Company for a period of 3 years commencing from April 1, 2018 up to March 31, 2021, subject to approval of the Members at the ensuing Annual General Meeting. The Company has received a notice from a shareholder in terms of Section 160 of the Companies Act, 2013 proposing the appointment of Smt. Raji Shah as Director of the Company at the ensuing Annual General Meeting.

The Board of Directors recommends passing necessary resolutions.

Apart from above, there have been no changes in Directors.

### **Statement of Declaration given by the Independent Directors under Section 149(7):-**

The Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided in section 149 (6).

The Independent Directors have confirmed and declared that they are not dis-qualified to act as an Independent Director as specified under Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfils all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

### **REMUNERATION POLICY:**

The remuneration policy of the Company is annexed to the report as **Annexure - G**.

### **DEPOSITS:**

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 during the period under review.

### **SUBSIDIARY COMPANIES:**

A statement in Form AOC-1 pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 in respect of subsidiary companies is annexed herewith as

**Annexure - A**.

During the year under review, GSEC Logistics Limited, the wholly owned subsidiary Company has not earned any revenue from operations but due to some fixed cost posted Net loss of ₹ 1.01 Lakhs.

During the year under review, GSEC Green Energy Private Limited, the wholly owned subsidiary Company has earned Revenue from operations of ₹ 25.14 Lakhs (Previous year ₹ 0.41 Lakhs) and has posted Net profit of ₹ 9.18 Lakhs (Previous year Net Loss ₹ 29.33 Lakhs).

#### **MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE MEETING:**

The details of the number of meetings of the Board held during the Financial Year 2017-18 forms part of the Corporate Governance Report.

#### **COMMITTEES OF THE BOARD:**

The Board of Directors has the following Committees:-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Share Transfer and Grievances Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

#### **EXTRACT OF ANNUAL RETURN:**

The extract of Annual Return as per Section 92 (3) of Companies Act, 2013 is annexed under **Annexure-B** to this Report.

#### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, all related party transactions are entered on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Details of the concerned transactions are provided in Form AOC – 2 under **Annexure-C**.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of the Loans and Guarantees given during the year under review falling under Section 186 of the Companies Act, 2013 is given in **Annexure-D**, which forms part of this report. The details of Investments are as mentioned in the notes of financial statements. During the year under review, the company has not provided any security falling within in purview of Section 186.

#### **PARTICULARS OF EMPLOYEES:**

No employee was drawing salary in excess of the limits prescribed by Central Government pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.

In terms of provisions of Section 136(1) of the Act, the Annual Report excluding the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being sent to the members of the Company. The said information is open for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

#### **AUDITORS:**

##### **Statutory Auditors:-**

In accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, M/s. BJS & Associates & Co., Chartered Accountants (Registration No. 113268W) were appointed as Statutory Auditors, for a term of five years to hold office till the conclusion of the Annual General Meeting to be held for the financial year ending on 2019, subject to the ratification by the members at every Annual General Meeting.

The requirement of taking approval of members for ratification of appointment of Statutory Auditors has been done away with by the Companies (Amendment) Act, 2017 with effect from May 30, 2018. However as the appointment of statutory auditors has been made in the Annual General Meeting held in the year 2014 subject to ratification by members at every Annual General Meeting, a Resolution seeking members' approval for ratification for their appointment from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company is proposed for approval.

**Secretarial Audit:-**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Umesh Parikh and Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure-E**.

**Internal Audit:-**

Pursuant to Section 138 of the Act read with the Companies (Accounts) Rules, 2014, M/s. Dharmesh Parikh & Co, Chartered Accountant, was appointed as the Internal Auditor of your Company for the financial year 2017-18. Further the Board of director of the company re-appointed as M/s. Dharmesh Parikh & Co as the Internal Auditor of your Company for the financial year 2018-19.

**EXPLANATION OR COMMENTS ON AUDITORS' REPORT AND/OR SECRETARIAL AUDIT REPORT:**

There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory and Secretarial Auditors in their Audit Reports which requires clarification from the Management of the Company.

**SECRETARIAL STANDARDS:**

The Board to the best of their knowledge confirms that the Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India and made applicable by Ministry of Corporate Affairs.

**INTERNAL FINANCIAL CONTROL SYSTEM:**

The Board has laid down the Internal Control System with adequate internal financial controls, commensurate with the size, scale and complexity of operations which operates effectively. The scope and authority of the Internal Audit (IA) function is well defined.

**RISK MANAGEMENT POLICY:**

The Management regularly reviews the risk and take appropriate steps to mitigate the risk. The company has in place the Risk Management policy. The Company has a setup Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

In the opinion of the Board, there has been no identification of any element of risk which may threaten the existence or going concern of the Company.

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set-up to redress complaints received regarding sexual harassment. The Company has not received any sexual harassment complaint during the year 2017-18.

**SIGNIFICANT AND MATERIAL ORDERS:**

There is no significant and/or material order passed by any Regulator(s) or Court(s) or Tribunal(s) during the year which would impact the going concern status of the Company and its operations.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 is given in the **Annexure-E**.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company states that:-

- a. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that period;
- c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance

with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d. They have prepared the annual accounts ongoing concern basis;
- e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

**ACKNOWLEDGEMENTS:**

Your Directors are thankful to the Bankers, various Government agencies, suppliers, customers, Investors and all others stakeholders for their wholehearted support during the year and look forward to their continued support in the years ahead. Your Directors further appreciate and acknowledge the contributions made by the employees at all levels and other business associates for their commitment and dedication towards the operations of the Company.

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> August 2018**

**For and on behalf of the Board of Directors,**

**RAKESH SHAH**  
**Chairman & Managing Director**  
**DIN: 00421920**

**ANNEXURE – A****Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

1	Sl. No.	1	2
2	Name of the subsidiary	GSEC Logistics Limited	GSEC Green Energy Private Limited
3	The date since when subsidiary was Acquired	07.09.2006	02.01.2012
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR
5	Share capital	5,00,000	1,00,000
6	Reserves & surplus	19,45,628	(1,21,29,717)
7	Total assets	3,99,84,242	2,77,34,511
8	Total Liabilities	3,75,38,714	3,82,64,228
9	Investments	NIL	15,000
10	Turnover	NIL	NIL
11	Profit before taxation	(9,805)	13,29,232
12	Provision for taxation	92,058	Nil
13	Profit after taxation	(1,01,863)	9,18,500
14	Proposed Divided	NIL	NIL
15	% of Shareholding	100%	100%

- Notes:** 1 Names of subsidiaries which are yet to commence operations: **Not Applicable.**  
2 Names of subsidiaries which have been liquidated or sold during the year: **Not Applicable.**

**Part "B": Associates and Joint Ventures: Nil**

**As per our Report Annexed  
For BJS & Associates  
Chartered Accountants  
Firm Registration No. 113268W**

**For and on behalf of Board of Directors**

**CA BIPIN J SHAH**  
Partner  
Membership No. 10712

**RAKESH SHAH**  
Chairman & Managing Director  
DIN : 00421920

**SAMIR MANKAD**  
CEO & Whole Time Director  
DIN : 00421878

**CHINTAN PATEL**  
Company Secretary  
M. No. A29326

**Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018**

**Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018**

## ANNEXURE - B

**Form No. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31<sup>st</sup> March, 2018**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I REGISTRATION AND OTHER DETAILS:**

i)	CIN	U52100GJ1965PLC001347
ii)	Registration Date	October 14, 1965
iii)	Name of the Company	GSEC Limited
iv)	Category/ Sub-Category of the Company	Company Limited by Shares / Indian Non-government Company
v)	Address of the registered office and contact details	Gujarat Chambers Building, Ashram Road, Ahmedabad – 380009. Phone: 079-26554100 Fax: 079 - 26584040 E Mail: info@gsecl.co.in
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Private Limited A/802, Samudra Complex, Near Classic Gold Hotel, Grish Cold Drink Cross Road, Off C G Road, Ahmedabad-380009. Phone: 079 - 40024135 E Mail: bssahd@bigshareonline.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% total turnover of the company
1	Other wholesale Trading Business	51909	89.92
2	Air Cargo Business	99671	10.08

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
01	<b>Komal Infotech Private Limited</b> 40, Asia House, Nr. Swastik Char Rasta, Navrangpura, Ahmedabad -380009	U72200GJ2000PTC037463	Holding Company	63.36	Sec. 2(46)
02	<b>GSEC Logistics Limited</b> 2 <sup>nd</sup> Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad – 380 009	U62200GJ2006PLC049049	Subsidiary Company	100	Sec. 2(87)
03	<b>GSEC Green Energy Private Limited</b> 1 <sup>st</sup> Floor, Udhog Bhavan, Opp. Kunal Restaurant, Ashram Road, Ahmedabad – 380009	U37200GJ2011PTC066904	Subsidiary Company	100	Sec. 2(87)

IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY):

(i) Category-Wise Share Holding:-

Sl. No.	Category of Shareholder(s)	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% Change During the Year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/ HUF	-	2572140	2572140	34.07	2571030	1110	2572140	34.07	-
(b)	Cent. Gov./ State Gov.(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	4783910	4783910	63.36	-	4783910	4783910	63.36	-
(d)	FI/ Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (A)(1)</b>	-	<b>7356050</b>	<b>7356050</b>	<b>97.43</b>	<b>2571030</b>	<b>4785020</b>	<b>7356050</b>	<b>97.43</b>	-
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals/ HUF	-	-	-	-	-	-	-	-	-
(b)	Cent. Gov./ State Gov.(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	FI/ Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (A)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>TOTAL Shareholding of Promoter and Promoter Group(A) = (1) + (2)</b>	-	<b>7356050</b>	<b>7356050</b>	<b>97.43</b>	<b>2571030</b>	<b>4785020</b>	<b>7356050</b>	<b>97.43</b>	-
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
(b)	FI/ Banks	-	-	-	-	-	-	-	-	-
(c)	Cent. Gov./ State Gov.(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FI	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Others	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2)</b>	<b>Non - Institutions</b>									
(a)	Bodies Corporate	-	29010	29010	0.38	0	25650	25650	0.34	0.04
(b)	Individuals									



i) Individual Shareholders holding nominal share capital up to ₹ 1 Lakh	17550	96990	114540	1.52	21360	83010	104370	1.38	0.14
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	12000	38400	50400	0.67	12000	38400	50400	0.67	-
(c) Others-INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	-	-	-	-	13530	-	13530	0.18	(0.18)
<b>SUB TOTAL (B)(2)</b>	<b>29550</b>	<b>164400</b>	<b>193950</b>	<b>2.57</b>	<b>46890</b>	<b>147060</b>	<b>193950</b>	<b>2.57</b>	<b>-</b>
<b>TOTAL Public Shareholding (B) = (1) + (2)</b>	<b>29550</b>	<b>164400</b>	<b>193950</b>	<b>2.57</b>	<b>46890</b>	<b>147060</b>	<b>193950</b>	<b>2.57</b>	<b>-</b>
<b>TOTAL (A)+(B)</b>	<b>29550</b>	<b>7520450</b>	<b>7550000</b>	<b>100.00</b>	<b>2617920</b>	<b>4932080</b>	<b>7550000</b>	<b>100.00</b>	<b>-</b>
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>29550</b>	<b>7520450</b>	<b>7550000</b>	<b>100.00</b>	<b>2617920</b>	<b>4932080</b>	<b>7550000</b>	<b>100.00</b>	<b>-</b>

**(ii) SHAREHOLDING OF PROMOTERS:-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	KOMAL INFOTECH PVT LTD	4783910	63.36	-	4783910	63.36	-	-
2	PRITI R SHAH	1447670	19.17	-	1447670	19.17	-	-
3	RAKESH R SHAH	636090	8.43	-	636090	8.43	-	-
4	SHAISHAV R SHAH	487270	6.45	-	487270	6.45	-	-
5	KOMAL RAKESH SHAH	1110	0.02	-	1110	0.02	-	-
	<b>TOTAL</b>	<b>7356050</b>	<b>97.43</b>	<b>-</b>	<b>7356050</b>	<b>97.43</b>	<b>-</b>	<b>-</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING:-** There were no change in the holding of any Promoters during the year under review.

**(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):-**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
<b>1</b>	<b>VASANT B. SHAH</b>				
	At the beginning of the year	38400	0.51	38400	0.51
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	--	--	38400	0.51
<b>2</b>	<b>ALEMBIC LIMITED</b>				
	At the beginning of the year	12210	0.16	12210	0.16
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	--	--	12210	0.16
<b>3</b>	<b>MANOJKUMAR RAMANLAL GANDHI</b>				
	At the beginning of the year	12000	0.16	12000	0.16
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	--	--	12000	0.16

<b>4</b>	<b>VASUNDHARA CANNING PVT. LTD</b>				
	At the beginning of the year	4500	0.06	4500	0.06
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	--	--	4500	0.06
<b>5</b>	<b>ALPA SHRIRAM PUROHIT</b>				
	At the beginning of the year	4080	0.05	4080	0.05
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	Increase due to Transfer of 3720 Shares			
	At the End of the year(or on the date of separation, if separated during the year)	--	--	7800	0.10
<b>6</b>	<b>SHARDADEVI KANTILAL GURU</b>				
	At the beginning of the year	3240	0.04	3240	0.04
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	--	--	3240	0.04
<b>7</b>	<b>JAYESH KANTILAL GURU</b>				
	At the beginning of the year	3210	0.04	3210	0.04
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	--	--	3210	0.04
<b>8</b>	<b>TARUN UNAAGAR</b>				
	At the beginning of the year	3150	0.04	3150	0.04
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	--	--	3150	0.04
<b>9</b>	<b>SHANTILAL M JARIWALA</b>				
	At the beginning of the year	3000	0.04	3000	0.04
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	--	--	3000	0.04

<b>10</b>	<b>LALCHAND T MEHTA</b>				
	At the beginning of the year	2700	0.03	2700	0.03
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	--	--	2700	0.03

**(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>RAKESH RAMANLAL SHAH</b>	<b>CHAIRMAN &amp; MANAGING DIRECTOR</b>			
	At the beginning of the year equity etc.	636090	8.42	636090	8.42
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	636090	8.42	636090	8.42
<b>2</b>	<b>SAMIR HANSKUMAR MANKAD</b>	<b>CEO &amp; WHOLE-TIME DIRECTOR</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>3</b>	<b>SHAISHAV RAKESHKUMAR SHAH</b>	<b>WHOLE-TIME DIRECTOR</b>			
	At the beginning of the year equity etc.	487270	6.45	487270	6.45
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	487270	6.45	487270	6.45
<b>4</b>	<b>RAJI SHAISHAV SHAH (Resigned w.e.f 28.09.2017) (Appointed as on 30.03.2018)</b>	<b>WHOLE-TIME DIRECTOR</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>5</b>	<b>CHINUBHAI RAMANLAL SHAH (Ceased on 06.06.2018)</b>	<b>DIRECTOR (INDEPENDENT)</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL

<b>6</b>	<b>BHALABHAI CHHOTABHAI PATEL</b>	<b>DIRECTOR (INDEPENDENT)</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>7</b>	<b>NATWARLAL MEGHJIBHAI PATEL (Resigned w.e.f. 01.04.2018)</b>	<b>DIRECTOR (INDEPENDENT)</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>8</b>	<b>SANDIP ASHWINBHAI PARIKH</b>	<b>DIRECTOR (INDEPENDENT)</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>9</b>	<b>CHINTANKUMAR PATEL</b>	<b>WHOLE-TIME COMPANY SECRETARY</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL

**(V) INDEBTEDNESS:**

**INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT:-**

(Amount in ₹)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	55754462	110147396	--	165901858
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>55754462</b>	<b>110147396</b>	<b>--</b>	<b>165901858</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	67672893	--	--	67672893
Reduction	--	97088245	--	97088245
<b>Net Change</b>	<b>67672893</b>	<b>97088245</b>	<b>--</b>	<b>29415352</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	123427355	13059150	--	136486505
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>123427355</b>	<b>13059150</b>	<b>--</b>	<b>136486505</b>

**(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****(A) Remuneration to Managing Director, Whole-time Directors and/or Manager:- (Amount in ₹)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		RAKESH SHAH CMD	SAMIR MANKAD WTD	SHAISHAV SHAH WTD	RAJI SHAH WTD	
1	Gross Salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000/-	29,76,000/-	22,85,016/-	8,54,340/-	97,15,356/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % Profit - Other, specify ....	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>36,00,000/-</b>	<b>29,76,000/-</b>	<b>22,85,016/-</b>	<b>8,54,340/-</b>	<b>97,15,356/-</b>
	Ceiling as per the Act	Within the limits specified under Schedule V of the Companies Act, 2013.				

**(B) Remuneration to other Directors:-**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		CHINUBHAI SHAH	BHALABHAI PATEL	NATWARLAL PATEL	SANDIP PARIKH	
(1)	<b>Independent Directors</b>					
	- Fee for attending board / committee meetings	60,000/-	45,000/-	15,000/-	45,000/-	1,65,000/-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>60,000/-</b>	<b>45,000/-</b>	<b>15,000/-</b>	<b>45,000/-</b>	<b>1,65,000/-</b>
(2)	<b>Other Non-Executive Directors</b>					
	- Fee for attending board / committee meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1)+(2)</b>	<b>60,000/-</b>	<b>45,000/-</b>	<b>15,000/-</b>	<b>45,000/-</b>	<b>1,65,000/-</b>
	Total Managerial Remuneration					<b>97,15,356/-</b>
	Ceiling as per the Act	Within the limits specified under Schedule V of the Companies Act, 2013.				

**(C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD:-**

(Amount in ₹)					
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,27,308/-	-	4,27,308/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % Profit	-	-	-	-
	- Other, specify ....	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	-	<b>4,27,308/-</b>	-	<b>4,27,308/-</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT /COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors,

Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018RAKESH SHAH  
Chairman & Managing Director  
DIN: 00421920

## ANNEXURE - C

### Form AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto.**

**1 Details of material contracts or arrangements or transactions not at arm's length basis:** None of the transactions with related parties fall in this category.

**2 Details of material contracts or arrangement or transactions at arm's length basis:** (₹ in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any.	Amount paid as advances, if any.
Priti R. Shah (Relative of Directors)	Lease/Rent Agreement	As per Agreement	₹ 21.24	As per Note Below	As per Note Below
Shaishav R. Shah (Whole-time Director)	Lease/Rent Agreement	As per Agreement	₹ 3.10	As per Note Below	As per Note Below

**Note:** Above mentioned transaction are done at arm's length price and at prevailing market rate. Appropriate approvals whenever required have been taken for related party transactions. No amount was paid as advance.

**For and on behalf of the Board of Directors,**

**Place: Ahmedabad**

**Date: 28<sup>th</sup> August 2018**

**RAKESH SHAH**  
**Chairman & Managing Director**  
**DIN: 00421920**



**ANNEXURE - D****Particulars of Loans and Guarantees**Amount outstanding as at 31<sup>st</sup> March, 2018

	(₹ in Lakhs)
<b>Particulars</b>	<b>Amount</b>
Loans given	518.67
Guarantee given	Nil

Loan and Guarantee made during the Financial Year 2017-18

(₹ in Lakhs)				
<b>Name of Entity</b>	<b>Relation</b>	<b>Amount</b>	<b>Particulars</b>	<b>Purpose</b>
GSEC Green Energy Private Limited	WOS	144.29	Loan	Business
GSEC Logistics Limited	WOS	374.38	Loan	Business

For and on behalf of the Board of Directors,

Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018

**RAKESH SHAH**  
Chairman & Managing Director  
DIN: 00421920

## Annexure-E

### Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**GSEC LIMITED**

**CIN- U52100GJ1965PLC001347**

Gujarat Chambers Building,

Ashram Road, Ahmedabad- 380009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GSEC Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- Not Applicable;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): (Not Applicable as the shares of the Company are not listed on any Stock Exchange)
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- i. Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges. (Not Applicable as the shares of the Company are not listed on any Stock Exchange)

During the audit period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

**We further report that:**

During the audit period under review there were no specific laws which were exclusively applicable to the Company/ Industry. However having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records on test - check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the Air cargo activities and Trading activities:

1. Foreign Trade Policy
2. Major Port Trusts Act, 1963
3. The Airports Economic Regulatory Authority of India Act, 2008

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors at least seven days in advance to schedule the Board Meetings and agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors / Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

**We further report that:**

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, the Indian Copyright Act, 1957, the Patents Act, 1970, the Trade Marks Act, 1999 and Environment Laws.

**We further report that:**

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

**We further report that :**

During the Audit period under review there were no instances of:

1. Public issue / Right issue of Shares / Debentures / Sweat Equity etc;
2. Redemption / Buy – Back of Securities;
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013;
4. Merger / amalgamation / Reconstruction etc;
5. Foreign Technical Collaboration.

**For Umesh Parikh & Associates  
Company Secretaries**

**Umesh G. Parikh  
Practicing Company Secretary  
(Proprietor)  
FCS No.: 4152 C. P. No.: 2413**

**Place: Ahmedabad**

**Date: July 31<sup>st</sup>, 2018**

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure - A** and forms an integral part of this report.

## Annexure A

To,  
The Members,  
**GSEC LIMITED**  
**CIN- U52100GJ1965PLC001347**

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done with respect to the complete secretarial records to ensure that correct facts are reflected therein. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of various procedures on test check basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Umesh Parikh & Associates**  
**Company Secretaries**

**Umesh G. Parikh**  
**Practicing Company Secretary**  
**(Proprietor)**  
**FCS No.: 4152 C. P. No.: 2413**

**Place: Ahmedabad**  
**Date: July 31<sup>st</sup>, 2018**

**ANNEXURE - F**

**Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo  
(Pursuant to provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies  
(Accounts) Rules, 2014).**

<b>(A) Conservation of energy:</b>		
(i)	the steps taken or impact on conservation of energy;	In order to conserve resources, the Company has taken measures and applied control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. On account of measures taken, it reduces the energy consumption.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	N.A.
(iii)	the capital investment on energy conservation equipments	N.A.
<b>(B) Technology absorption:</b>		
(i)	the efforts made towards technology absorption;	There is no technology absorption and Company has not incurred any Research and development expenditure.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	N.A.
	the details of technology imported;	N.A.
	the year of import	N.A.
	whether the technology been fully absorbed	N.A.
	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	N.A.
(iv)	the expenditure incurred on Research and Development	N.A.
<b>(C) Foreign Exchange Earning and Outgo:</b>		
(i)	Foreign Exchange Earning	During the year under review, earnings in Foreign Currency amounted to NIL.
(ii)	Foreign Exchange Outgo	During the year under review, outgo in Foreign Currency amounted to ₹ 63.56 Lakhs. (Previous year ₹ 33.23 Lakhs)

**For and on behalf of the Board of Directors,**

**Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018**

**RAKESH SHAH  
Chairman & Managing Director  
DIN: 00421920**

## ANNEXURE - G

### Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Senior Employees of GSEC limited

#### I. TERMS OF REFERENCE TO THE NOMINATION AND REMUNERATION COMMITTEE:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- To recommend to the Board their appointment and removal and shall carry out evaluation of directors performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees."

#### II. APPLICATION:

This Policy applies to the Board of Directors, Key Managerial Personnel and Senior Management Personnel of GSEC Limited ('the Company'). The policy envisages the framework for nomination, remuneration and evaluation of Board of Directors, Key Managerial Personnel and Senior Management Personnel in accordance with provisions of Companies Act, 2013 ('the Act') including the rules made thereunder as may be applicable.

#### III. OBJECTIVITY:

The Company aims to achieve balance of merits, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management Personnel.

#### 1. DEFINITIONS:

- "Board" means Board of Directors of the Company.
- "Committee" means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board from time to time.
- "Key Managerial Personnel" (KMP) means:
  - a) Chief Executive Officer or Managing Director or the Manager,
  - b) Whole-time Director
  - c) Chief Financial Officer
  - d) Company Secretary and
  - e) Such other officers as may be prescribed under the Act from time to time
- "Senior Management Personnel" (SMP) means personnel of the Company who are members of the core management team, excluding Board of Directors and are one level below the Executive Directors including all Functional Heads.
- "Company Policy" means the policy of Human Resource Department of the Company as laid down from time to time.

#### 2. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP:

- The Committee shall consider criteria such as qualifications, skills, expertise and experience of the person to be appointed as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- The age of person to be appointed as a Non-Executive Director shall not be less than 21 years and more than 75 years. The Committee at its discretion may recommend to the Board continuation of Director for further term of appointment who has completed 75 years.
- The age of person to be appointed as an Executive Director shall not be less than 21 years and not more than 70 years. The Committee at its discretion may recommend to the Board continuation of Director for further term of appointment who has completed 70 years.
- The Company should ensure that the person so appointed as Director is not disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- The Director/ Independent Director / KMP / SMP shall be appointed as per the provisions and procedure laid down under the Companies Act, 2013 including rules made thereunder, as may be applicable or any other enactment for the time being in force.
- The Committee may recommend to the Board for removal of a Director on account of any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other

applicable Act, rules and regulations or any other reasonable ground. The Committee may also recommend to the Board for removal of KMP or SMP subject to the provisions and compliance of the applicable Act, rules and regulations.

- Term and tenure of a Director shall be in accordance with the provisions of the Companies Act, 2013 rules made thereunder as may be applicable and amended from time to time.

### 3. REMUNERATION OF DIRECTORS, KMP AND SMP:

#### A. DIRECTORS –

The Board of Directors of the Company shall decide the remuneration of Executive / Non-Executive Directors on the basis of recommendation of the Committee subject to the overall limits provided under the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act') and in compliance with the provisions of the listing agreement as applicable from time to time.

The remuneration of Directors shall be approved by the shareholders of the Company as and when required.

#### I. EXECUTIVE DIRECTORS –

The Company shall enter into a contract with every Executive Director, which will set out the terms and conditions of appointment and tenure, as recommended by the Committee and approved by the Board.

The Board may vary any terms or conditions of the contract from time to time within the tenure subject to such approvals as may be required under the Act.

The remuneration components shall include inter alia:

##### a. Fixed salary:

Each Executive Director shall be paid fixed salary consisting of basic salary and such allowances and perquisites as may be recommended by the Committee and decided by the Board and performance evaluation of each Executive Director from time to time, subject to overall limits as prescribed under the Act.

The salary may be reviewed;

- (i) From time to time as thought fit by the Committee.
- (ii) Annually within the limits as set by the Company within the overall limit as fixed by the shareholders of the Company.

##### b. Commission:

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each Director shall be recommended by the Committee on the basis of the performance evaluation of the Director undertaken by the Committee and the Board.

##### c. Separation / Retirement benefits:

Executive Director shall be eligible to the following perquisites which shall be included in the computation of the ceiling on remuneration provided in the Act:

- i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961 or any amendment thereof,
- ii. Gratuity payable at a rate not exceeding one month's salary for each completed year of service and
- iii. Encashment of leave at the end of the tenure. In case of loss or inadequacy of profits of the Company, the aforesaid perquisites shall not be included in computation of the ceiling on remuneration provided in the Act.

##### d. Non-monetary Benefits:

Executive Director shall be eligible to the following non-monetary benefits which shall, subject to the terms and conditions of the appointment of Executive Director by the shareholders of the Company, not be included in the computation of the limit/ceiling on remuneration:

Executive Directors may be entitled to club membership, company vehicle with driver, petrol reimbursement, vehicle maintenance, telephone, fax, internet at residence, reimbursement of

mobile phone bills, fully furnished accommodation (in case of use of own residential property for accommodation) or house rent allowance in lieu thereof, soft and hard furnishings, reimbursement of house maintenance expenditure, gas, electricity bill, water and other utilities and repairs at residence, medical expenditure, including hospitalization expenses for self and family, leave travel assistance and entertainment expenses.

Executive Director may also be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance or any other benefit as per Company policy.

Executive Director may be entitled to such other additional benefits as per the Company Policy.

#### **I. NON-EXECUTIVE DIRECTORS –**

The Company shall issue a letter of appointment to every Non-Executive Independent Director. The components of payment of remuneration to Non-Executive Directors shall include:

##### **a. Sitting Fees:**

Sitting fees shall be paid for Board Meetings and any Committee Meetings attended by the Director. Different amount of sitting fees may be paid for different types of meetings within limits as prescribed under the Act. Committee shall include Audit Committee, Nomination and Remuneration Committee Share Transfer and Shareholders' Grievances Committee or such other Committees as may be constituted by the Board from time to time.

##### **b. Commission:**

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each director shall be recommended by the Committee on the basis of annual performance evaluation of the director.

##### **c. Professional Fees:**

Non Independent Directors may be paid fees for services of professional nature, if in the opinion of Committee, the Director possesses the requisite qualification for the practice of the profession. Such professional fees shall not be considered as remuneration for the purpose of Act.

Independent Directors may be paid the fees for proving services of professional nature on an arm's length basis, if in the opinion of Committee, the Director possesses the requisite qualification for the practice of the profession.

#### **B. KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL –**

The Company shall issue an appointment letter to every KMP and SMP. The remuneration components payable to KMP/ SMP may be:

##### **a. Fixed Salary:**

Each KMP / SMP shall be paid fixed salary consisting of basic salary and such allowances and perquisites as per service rules of the Company. The band of the salary shall be determined according to the industry standards, market conditions, scale of Company's business relating to the position, educational qualification parameters and experience in the industry as detailed in the service rules of the Company and such other factors as may be prescribed therein. The same shall be reviewed annually based on the Company's annual appraisal policy.

##### **b. Variable Pay:**

Apportion of the overall salary may be paid as variable pay to every KMP/SMP. This shall be as per the Performance Linked Pay Scheme of the Company, which is designed to bring about increase in overall organizational effectiveness through alignment of Company, Functional and Individual objectives.

##### **c. Perquisites / Other Benefits Perquisites / Other Benefits:**

These are to be benchmarked with Industry practices from time to time keeping an overall salary structure in mind. These may include petrol reimbursement, vehicle maintenance, telephone, reimbursement of mobile phone bills, leave travel assistance and reimbursement of medical expenditure for self and family and such other benefits as per the Company Policy.



KMP / SMP may be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance and such other benefits as per Company policy.

**d. Annual Pay Revision / Promotion Evaluation of KMP / SMP:**

This shall be based on appraisal against stated Objectives / Goals of the individual which in turn shall be aligned to the Functional and Enterprise Score Card. Key Result Areas (KRAs) are set at the beginning of the year in consultation with the Executive Director. Pay revisions / promotions will be achievement oriented and will also have reference to Industry benchmarks, where appropriate. e. Separation / Retirement benefits Separation / retirement benefits as per Company policy which shall include contribution to provident fund, superannuation, gratuity and leave encashment.

**C. DIRECTORS AND OFFICERS LIABILITY INSURANCE –**

The Company will take Directors and Officers Liability Insurance or such insurance of like nature for indemnifying any of the Directors, KMP and SMP against any liability in respect of any negligence, default, misfeasance, breach of duty or trust for which they may be guilty in relation to the Company. The premium paid on such insurance shall not be treated as part of remuneration payable to Managing Director, Whole Time Director, Chief Executive Officer, Chief Financial Officer or Company Secretary. Provided that if any such person is proved to be guilty, the premium paid shall be treated as part of the remuneration.

**D. STOCK OPTIONS –**

The Committee may recommend issue of stock options to Directors (other than Independent Directors and Promoter Directors), KMP / SMP, which may be granted by the Board subject to the compliance of the provisions of applicable laws.

**IV. CRITERIA FOR EVALUATION OF BOARD:**

The evaluation of Board shall be carried out annually as per the provisions of the Companies Act, 2013 and rules made thereunder as may be applicable. Performance evaluation of each Director will be based on the criteria as laid down from time to time by the Nomination and Remuneration Committee.

Criteria for performance evaluation shall include aspects such as attendance for the meetings, participation and independence during the meetings, interaction with Management, Role and accountability to the Board, knowledge and proficiency and any other factor as may be decided by the Nomination and Remuneration Committee. Further, performance evaluation of an Executive Director will also be based on business achievements of the Company.

**V. AMENDMENT:**

Based on the recommendation of the Committee, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate, in accordance with any amendment to the applicable provisions of the Companies Act, 2013 and rules made thereunder as may be applicable.

**Place: Ahmedabad  
Date: 28th August 2018**

**For and on behalf of the Board of Directors,**

**RAKESH SHAH  
Chairman & Managing Director  
DIN: 00421920**

# CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, companies whose shares are listed on any Stock Exchange in India are required to attach the Corporate Governance Report in its Annual Report. We believe Good Corporate Governance is a sine qua non for the company and hence though the company's shares are not listed with any Stock Exchange, your directors have thought it advisable to follow certain aspects of corporate governance as per Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a good corporate practice.

## 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Corporate governance reflects Company's culture, policies, relationship with its stakeholders, its commitment to values and its ethical business conduct. At GSEC Limited ("the Company"), It is our firm conviction that good corporate governance emerges from the application of best management practices and compliance with the laws coupled with integrity, transparency, accountability and business ethics and hence we follow fair, transparent and ethical governance processes and practices embedded into the culture of our organisation and the GSEC Group, which ensures that the interest of all the stakeholders are considered in a balanced and transparent manner.

## 2. BOARD OF DIRECTORS:

### Composition:-

The Company has a fundamentally strong Board with an optimum mix of Executive and Non- Executive Directors including a Woman Director.

The Board consists of eminent individuals with considerable professional expertise and experience in finance, legal, commercial, strategy and planning, business administration and other related fields, who not only bring a wide range of experience and expertise, but also impart the desired level of independence to the Board. The Board's roles, functions, responsibilities and accountability are clearly defined. The day to day management of the Company is entrusted with the Senior Management Personnel of the Company and is headed by the Chairman and Managing Director who are functioning under the overall supervision, direction and control of the Board.

The Board of Directors comprises of 7 (Seven) Directors including One Executive Chairman cum Managing Director, Three Whole-time Directors and Three Non-Executive Independent Directors. The Board of Directors believes that its current composition is appropriate to maintain independence of the Board of Directors and separate its functions of governance and management. The composition of the Board during the year under review was in conformity with the provisions of the Companies Act, 2013 and as amended from time to time (the 'Act') and the Listing Regulations.

### Board meetings:-

The Board of Directors meets at least four times in a year with a maximum time gap of not more than one hundred & twenty days between two consecutive meetings. Additional meetings of the Board of Directors are held as and when deemed necessary by the Board of Directors. Board Meetings are generally held at the Registered Office of the Company.

During the year under review, the Board of Directors met 5 (five) times (1) 24.06.2017, (2) 26.08.2017, (3) 28.09.2017, (4) 27.12.2017 and (5) 30.03.2018. The necessary quorum was present at all the meetings.

The names and category of Directors on the Board, their attendance at the Board Meetings held during the year and also at the last Annual General Meeting are given below:

Sr. No.	Names of Directors	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships in other Companies#
1	Shri Rakesh Shah	Executive Director (Chairman & Managing Director)	5	Yes	6
2	Shri Samir Mankad	Executive Director (CEO & Whole Time Director)	4	Yes	2
3	Shri Shaishav Shah	Executive Director (Whole Time Director)	5	Yes	6

4	Smt. Raji Shah	Executive Director (Whole Time Director)	1	No	5
5	Shri Chinubhai Shah Ceased as on 06.06.2018	Non-Executive Independent Director	4	Yes	8
6	Shri Bhalabhai Patel	Non-Executive Independent Director	4	Yes	1
7	Shri Natwarlal Patel Resigned wef on 01.04.2018	Non-Executive Independent Director	3	No	5
8	Shri Sandip Parikh	Non-Executive Independent Director	4	Yes	4
9	Shri Maheswar Sahu Appointed w.e.f. 27.04.2018	Non-Executive Independent Director	NA	NA	11

**#As per the latest notices of disclosure received from the respective Directors.**

The tenure of the Independent Directors of the Company is within the time limit prescribed under the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs in this regards from time to time. No Director of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all companies in which he/she is a Director.

**Disclosure of relationships between director's inter-se:-**

Shri Rakesh Shah, Chairman and Managing Director is father of Shri Shaishav Shah Whole-time Director and father in law of Smt. Raji Shah Whole-time Director of the company.

Shri Shaishav Shah Whole-time Director is spouse of Smt. Raji Shah Whole-time Director.

**3. AUDIT COMMITTEE:**

**Cosmposition & Members of the Committee:-**

Your Company has an Audit Committee at the Board level, which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors. The Audit Committee of the Company comprised of four members as on March 31, 2018.

During the year, Two Committee Meetings were held on 26.08.2017 and 30.03.2018.

Constitution of the audit committee and attendance details during the financial year ended March 31, 2018 are given below:

Sr. No.	Name of the Director / Member	Category	Meetings and attendance during the year
1	Shri Sandip Parikh	Non-Executive Independent Director (Chairman of the Committee)	2
2	Shri Chinubhai Shah <b>Ceased as on 06.06.2018</b>	Non-Executive Independent Director	2
3	Shri Bhalabhai Patel	Non-Executive Independent Director	1
4	Shri Samir Mankad	Executive Whole-time Director	2
5	Shri Maheswar Sahu <b>Appointed w.e.f. 27.04.2018</b>	Non-Executive Independent Director	NA

**Brief description of Terms of Reference:**

- (i) oversee the financial reporting process
- (ii) recommend the appointment/re-appointment of auditors
- (iii) decide the audit fees, discuss the nature and scope of audit and ascertain area of concern,
- (iv) review the annual and quarterly financial statements
- (v) review the changes in accounting policies etc
- (vi) review the adequacy of internal audit functions and discuss with them significant findings,
- (vii) review the disclosure of related party transactions,
- (viii) Compliance relating to financial statements etc.
- (ix) Scrutiny of Intercorporate Loan and Investment.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### Composition & Members of the Committee:-

The Nomination and Remuneration Committee of the Company comprise of three members as on March 31, 2018, the composition of which is furnished hereunder:

During the year, Two Committee Meetings were held on 24.06.2017 and 30.03.2018.

Sr. No.	Name of the Director / Member	Category	Meetings and attendance during the year
1	Shri Chinubhai Shah (Chairman of the Committee) Ceased as on 06.06.2018	Non-Executive Independent Director	2
2	Shri Bhalabhai Patel	Non-Executive Independent Director	1
3	Shri Natwarlal Patel	Non-Executive Independent Director	1
4	Shri Maheswar Sahu Appointed w.e.f. 27.04.2018	Non-Executive Independent Director	NA

The terms of reference of the Nomination and Remuneration Committee are as outlined in the Companies Act, 2013 which inter alia includes following:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
2. To recommend to the Board their appointment and removal and shall carry out evaluation of directors performance.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
4. To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

##### Performance Evaluation of Independent Directors:

The Performance of the Independent Director is evaluated based on the criteria such as his knowledge, experience, integrity, expertise in any area, number of Board/ Committee meetings attended, time devoted to the Company, his participation in the Board/ Committee meetings etc. The Performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Directors, the Director who was subject to the evaluation did not participate.

Details of remuneration paid to the executive directors for the year ended 31.03.2018 are as below:

Name	Position held During the period	Total Remuneration including perks and benefits (₹ in Lakhs)
Shri Rakesh R. Shah	Chairman & Managing Director	36.00
Shri Samir H. Mankad	CEO & Whole-time Director	29.76
Shri Shaishav R. Shah	Whole-time Director	22.85
Smt. Raji S. Shah	Whole-time Director	8.54

The Company has paid following sitting fees to the Non-executive Directors during the year under review.

Name of Director	Sitting fees paid (In ₹)	No. of Shares held
Shri Chinubhai Shah	60000/-	Nil
Shri Bhalabhai Patel	45000/-	Nil
Shri Natwarlal Patel	15000/-	Nil
Shri Sandip Parikh	45000/-	Nil

A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board/Committee attended by him, for which such sum is payable which is within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Besides above, the Company does not pay any other commission or remuneration to its Non-Executive Directors.

The Company did not have any other pecuniary relationship or transactions with the Non-Executive Directors during the period under review.

#### INDEPENDENT DIRECTORS:

As per the provisions of the Schedule IV of the Companies Act, 2013 the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non Independent Directors. The Independent Directors at their meeting held on 30th March, 2018 has reviewed the performance of the Non Independent Directors (Including the Chairperson) and assessed the quality, quantity and timeliness of the flow of information between the Company and the Management.

The Independent Directors were satisfied with the performance of the Executive Directors of the Company and with the flow of information between the Company and the Management.

#### 5. SHARE TRANSFER AND GRIEVANCES COMMITTEE

##### Composition & Members of the Committee:-

The Board of Directors of the Company has constituted Share Transfer and Grievances Committee which looks in to the matters relating to transfer of shares and other related matter.

The Share Transfer and Grievances Committee of the Company comprised of three members as on March 31, 2018 the composition of which is furnished hereunder.

During the year, Two Committee Meetings were held on 27.12.2017 and 20.03.2018.

Sr. No.	Name of the Director / Member	Category	Meetings and attendance during the year
1	Shri Chinubhai Shah (Chairman of the Committee) Ceased as on 06.06.2018	Non-Executive Independent Director	2
2	Shri Rakesh Shah	Executive Managing Director	2
3	Shri Samir Mankad	Executive Whole Time Director	1
4	Shri Sandip Parikh Appointed w.e.f. 21.06.2018	Non-Executive Independent Director	NA

As a measure of good corporate governance and to focus on the Shareholders' request as to the transfer of shares, the committee deals with issue of approval of transfer/ transmission of shares, deletion/ transposition of names in the shares, matters relating to splitting, sub-division, consolidation of shares and to issue fresh share certificate etc. The Committee also deals with the matter relating to investor / shareholders grievances.

No complaints have been received during the year under review.

#### 6. GENERAL BODY MEETINGS:

##### Annual General Meefings:-

Date, Time and venue of the General Meetings held during the last 3 years.

Financial year ended	Date	Time	Venue
31.03.2017	28.09.2017	11:30 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009
31.03.2016	29.09.2016	11:30 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009
31.03.2015	29.09.2015	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009

Details of Special Resolutions passed in the previous three Annual General Meetings:

Date of the AGM	Subject Matter of the Special Resolution
28.09.2017	No Special Resolution was passed.
29.09.2016	Re-appointment of Shri. Rakesh R. Shah as a Chairman and Managing Director of the Company
29.09.2015	No Special Resolution was passed

**Extra Ordinary General Meeting(s):-** No Extra-ordinary General meeting of the members of the Company were held during the year under review.

**Postal Ballot:-** During the year under review, no approval of the Members was sought through postal ballot. None of the business proposed to be transacted at the ensuing AGM requires passing of special resolution through Postal Ballot.

## 7. DISCLOSURES:

In preparation of financial statements, the Company has followed the Accounting Standards as applicable to the Company. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts. Apart from Accounting Standards we have also initiated a good corporate and compliance practice of following certain Secretarial Standard(s) issued by the Institute of Company Secretaries of India.

Related Party Transactions during the year have been disclosed as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. Details of related party transactions were periodically placed before the Board. These transactions are not likely to have any conflict with the Company's interest.

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risk.

## 8. GENERAL SHAREHOLDER INFORMATION:

Date, time and venue of AGM	Friday, 28th September, 2018, at 11:30 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries Building, Ahmedabad - 380 009
Record Date	28 <sup>th</sup> day of September, 2018.
Listing on Stock Exchanges	N.A.
Listing Fees	N.A.
ISIN NO.	INE825P01010
Stock Exchange's Script Code	N.A.
Dividend Payment Date	Within 30 days of AGM

## 9. DEMATERIALIZATION OF SHARES, REGISTRAR & TRANSFER AGENT & SHARE TRANSFER SYSTEM:

### a. Registrar and Share Transfer Agent:-

Name: M/s. Bigshare Services Private Limited  
 Address: A/802 Samudra Complex, Near Klassic Gold Hotel, Grish Cold Drink Cross Road,  
 Off C G Road, Ahmedabad-380009.  
 Contact Details: Phone: 079 - 40024135  
 E mail: bssahd@bigshareonline.com

### b. Share Transfer System:-

Transfer of shares in physical form has been delegated by the Board to the Registrar and Share Transfer Agent, to facilitate speedy service to the shareholders. Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 20 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks.

**c. Dematerialisation of shares:-**

All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depository i.e. National Securities Depository Ltd (NSDL) within 15 days.

**10. INVESTORS CORRESPONDENCE:**

For any queries, requests and other correspondence, the Shareholders are requested to contact:-

<b>Registered Office</b> GSEC Limited, 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad - 380009. Phone: 079 - 26575757, 079 - 26585757 Fax: 079-26584040 E Mail: <a href="mailto:info@gsecl.co.in">info@gsecl.co.in</a>	<b>Registrar and Share Transfer Agent</b> Bigshare Services Private Limited A/802 Samudra Complex, Near Klassic Gold Hotel , Grish Cold Drink Cross Road, Off C G Road, Ahmedabad - 380009. Phone: 079 - 40024135 E Mail: <a href="mailto:bssahd@bigshareonline.com">bssahd@bigshareonline.com</a>
---	--

Complaints/grievances may also be addressed to - [cs@gsecl.co.in](mailto:cs@gsecl.co.in)

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> August 2018**

**For and on behalf of the Board of Directors,**

**RAKESH SHAH**  
**Chairman & Managing Director**  
**DIN: 00421920**

# INDEPENDENT AUDITORS REPORT

To the Members of GSEC Limited

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GSEC Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

(Standalone)



2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the act, read with rule 7 of the companies (accounts) rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 and taken on record by the board of directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of section 164 (2) of the act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
- (g) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the companies (audit and auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) As detailed in Note 25(iv) of the notes to the standalone financial statements, the Company has disclosed the impact of pending litigation on its financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> August 2018**

**For BJS & Associates**  
**Chartered Accountants**  
**Firm Registration No.:113268W**

**CA BIPIN SHAH**  
**Partner**  
**Membership No.: 10712**

(Standalone)

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management, in our opinion, is reasonable looking to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified by the Management during the year at reasonable interval. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- iii. The Company has not granted secured or unsecured loans to companies, limited liability partnership or other parties.
  - a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - b. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c. There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues of GST Payable of Rs.9,33,962 were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- b. According to the records of the Company and information and explanation given to us, following statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (₹ In Lakhs)
Customs Act, 1962	Custom Duty	Appellate Authority up to Commissioner Level	2011-12	310.26
VAT Tax Act, Gujarat	Value Added Tax	Tribunal	2007-08 and 2008-09	862.39
Service Tax	Service Tax on Exempted Income	Additional Commissioner, Service Tax - Ahmedabad	2009-10 to 2012-13	39.02
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2009-10	1.62
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2011-12	14.21

Company has transferred amount of ₹ 34,525/- to the Investor Education and Protection Fund in accordance with the provisions of Section 205A(5) in The Companies Act, 1956 during the year.

- viii. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or bank or Government during the year. The Company has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term Loans have been applied for the purpose for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares, fully or partially convertible debentures during the year under review. Accordingly the provisions of paragraph 3(xiv) of the order are not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of 3(xvi) of the Order are not applicable.

**For BJS & Associates**  
**Chartered Accountants**  
**Firm Registration NO.:113268W**

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> August 2018**

**CA BIPIN SHAH**  
**Partner**  
**Membership No.: 10712**

(Standalone)

## Annexure - B to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GSEC Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> August 2018**

**For BJS & Associates**  
**Chartered Accountants**  
**Firm Registration No.:113268W**

**CA BIPIN SHAH**  
**Partner**  
**Membership No.: 10712**

(Standalone)

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018

(₹ in Lakhs)

Particulars	Notes	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	755.00	755.00
(b) Reserves and Surplus	2	2,232.03	1,868.16
<b>2 Share application money pending for allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-Term Borrowings	3	201.54	180.57
(b) Other Long Term Liabilities	4	9.27	18.84
<b>4 Current liabilities</b>			
(a) Short-Term Borrowings	5	1,024.49	1,339.61
(b) Trade Payables	6	2,633.83	838.40
(c) Other Current Liabilities	7	671.77	345.11
(d) Short-Term Provisions	8	81.30	87.34
<b>TOTAL</b>		<b>7,609.06</b>	<b>5,433.03</b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	1,676.92	1,628.34
(b) Non-Current Investments	10	256.04	303.89
(c) Deferred Tax Assets (Net)		90.18	80.06
(d) Long-Term Loans and Advances	11	324.28	208.63
<b>2 Current Assets</b>			
(a) Current Investments	12	5.00	255.00
(b) Inventories	13	22.37	10.02
(c) Trade Receivables	14	3,483.33	857.58
(d) Cash and Bank Balance	15	673.54	1,022.71
(e) Short-Term Loans and Advances	16	1,068.52	1,050.43
(f) Other Current Assets	17	8.88	16.38
<b>TOTAL</b>		<b>7,609.06</b>	<b>5,433.03</b>
Significant Accounting Policies	24		
The accompanying notes are integral parts of the Financial Statements			

**As per our attached report of even date**

**For BJS & Associates**  
**Chartered Accountants**  
**Firm Registration No. 113268W**

**For and on behalf of Board of Directors**

**CA BIPIN J SHAH**  
**Partner**  
**Membership No. 10712**

**RAKESH SHAH**  
 Chairman & Managing Director  
**DIN : 00421920**

**SAMIR MANKAD**  
 CEO & Whole Time Director  
**DIN : 00421878**

**CHINTAN PATEL**  
 Company Secretary  
**M. No. A29326**

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> August 2018**

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> August 2018**

(Standalone)

**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ in Lakhs)

Particulars	Notes	2017-18	2016-17
<b>I. Revenue From Operations</b>			
Sale of Traded Goods (Gross)		<b>34142.04</b>	33260.17
Less : Excise Duty		-	-
<b>Sale of Trading Goods (Net)</b>		<b>34142.04</b>	33260.17
Sale of Services		<b>3573.38</b>	2975.17
Other Operating Revenues	18	<b>252.00</b>	202.51
<b>II. Other Income</b>	19	<b>424.20</b>	166.24
<b>III. Total Revenue</b>	(I+II)	<b>38391.62</b>	<b>36604.09</b>
<b>IV. Expenses:</b>			
Purchase of Traded Goods		<b>34307.15</b>	33234.39
Changes in Inventories of Stock-in Trade	20	<b>(12.35)</b>	-
Employee Benefits Expense	21	<b>410.99</b>	370.08
Finance Costs	22	<b>267.89</b>	235.31
Depreciation and Amortization Expense		<b>279.79</b>	246.85
Other Expenses	23	<b>2595.21</b>	2183.42
<b>Total Expenses</b>		<b>37848.68</b>	<b>36270.05</b>
<b>V. Profit Before Exceptional Items And Tax</b>	(III-IV)	<b>542.94</b>	<b>334.05</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit Before Tax</b>	(V - VI)	<b>542.94</b>	<b>334.05</b>
<b>VIII. Tax Expense:</b>			
(1) Current Tax		<b>143.60</b>	112.70
(2) Deferred Tax		<b>(10.12)</b>	2.11
(3) Tax Adjustment of Earlier Years		<b>0.15</b>	0.02
<b>IX. Profit for the Year</b>	(VII-VIII)	<b>409.31</b>	<b>219.21</b>
<b>X. Earnings Per Equity Share (in ₹)</b>		<b>5.42</b>	<b>2.90</b>
Significant Accounting Policies	24		
The Accompanying Notes are Integral Parts of the Financial Statements			

**As per our attached report of even date**  
For BJS & Associates  
Chartered Accountants  
Firm Registration No. 113268W

For and on behalf of Board of Directors

**CA BIPIN J SHAH**  
Partner  
Membership No. 10712

**RAKESH SHAH**  
Chairman & Managing Director  
DIN : 00421920

**SAMIR MANKAD**  
CEO & Whole Time Director  
DIN : 00421878

**CHINTAN PATEL**  
Company Secretary  
M. No. A29326

Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018

Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018

(Standalone)

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ in Lakhs)

PARTICULARS	For the Year ended 31 <sup>st</sup> March 2018	For the Year ended 31 <sup>st</sup> March 2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and exceptional items</b>	<b>542.79</b>	<b>334.04</b>
<b>Adjustments For:</b>		
Depreciation	279.79	246.85
Interest Paid	267.89	235.31
Interest received	(72.53)	(75.67)
Bad Debts written off	41.62	336.68
(Profit)/Loss on Sale of Fixed Assets	-	(24.07)
Dividend Received	(3.40)	(2.14)
Misc. Dr/Cr/Written off	80.28	-
<b>Operating Profit before working capital changes</b>	<b>1136.44</b>	<b>1051.00</b>
Movements in working capital		
<b>Adjustment for Decrease (Increase) in operating assets</b>		
Decrease in Inventories	(12.36)	-
Increase/Decrease in Trade and other Receivables	(2747.64)	1885.86
Increase/Decrease in Short Term Loans and Advances	(18.09)	385.01
(Decrease) in Short Borrowings	(315.12)	(127.72)
(Decrease) Trade Payables	1795.42	(1950.95)
Decrease/(Increase) in other Current Assets	7.50	(10.57)
Decrease in Short Term Provisions	(85.68)	(18.62)
(Decrease) in other Current Liabilities	326.67	(18.72)
Increase in Current Investments	-	(255.00)
<b>Net Cash Flow from Operating Activities before tax and Exceptional Items (A)</b>	<b>(1049.30)</b>	<b>(110.71)</b>
Taxes Paid	(109.55)	(97.04)
<b>Net cash generated from operating activities before exceptional items</b>	<b>(22.41)</b>	<b>843.25</b>
Exceptional Items	-	-
<b>Net cash generated from operating activities</b>	<b>(22.41)</b>	<b>843.25</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Increase in Margin Money	89.02	(36.52)
Purchase of Fixed Assets	(328.37)	(409.62)
Sale Proceeds of Fixed Assets	-	55.84
Interest received	72.53	75.67
Dividend Received on Investments	3.40	2.14
Purchase of Investments	47.84	-
Sale of Investments	250.00	-
Long Term Loans and Advances	(115.66)	(36.87)
<b>Net cash flow from investing activities</b>	<b>18.76</b>	<b>(349.36)</b>

(Standalone)



<b>PARTICULARS</b>	<b>For the Year ended 31<sup>st</sup> March 2018</b>	<b>For the Year ended 31<sup>st</sup> March 2017</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Other Long Term Borrowings (Net)	11.39	8.73
Interest paid	(267.89)	(235.31)
<b>Net cash flow from financing activities</b>	<b>(256.50)</b>	<b>(226.58)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(260.15)</b>	<b>267.31</b>
Cash and cash equivalents at the beginning of the year	353.43	86.12
Cash and cash equivalents at the end of the year	93.28	353.43

**As per our attached report of even date**

For BJS & Associates

Chartered Accountants

Firm Registration No. 113268W

For and on behalf of Board of Directors

**CA BIPIN J SHAH**

Partner

Membership No. 10712

**RAKESH SHAH**

Chairman & Managing Director

DIN : 00421920

**SAMIR MANKAD**

CEO & Whole Time Director

DIN : 00421878

**CHINTAN PATEL**

Company Secretary

M. No. A29326

Place: Ahmedabad

Date: 28<sup>th</sup> August 2018

Place: Ahmedabad

Date: 28<sup>th</sup> August 2018

(Standalone)

## NOTES TO THE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

#### 1. Share Capital

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs.10 each	1,00,30,000	1,003.00	1,00,30,000	1,003.00
<b>Issued</b>				
Equity Shares of Rs.10 each	75,50,000	755.00	75,50,000	755.00
<b>Subscribed &amp; fully Paid up</b>				
Equity Shares of Rs.10 each	75,50,000	755.00	75,50,000	755.00
<b>Total</b>	<b>75,50,000</b>	<b>755.00</b>	<b>75,50,000</b>	<b>755.00</b>

1.1 33,00,000 No. of Equity shares out of the total Equity Shares issued, subscribed & paid-up share capital were allotted as Bonus shares in the last five years by capitalisation of Securities Premium A/c & General Reserve.

1.2 The reconciliation of the number of shares outstanding is set out below:

(₹ in Lakhs)

Particulars	Equity Shares			
	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	75,50,000	755.00	75,50,000	755.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	<b>75,50,000</b>	<b>755.00</b>	<b>75,50,000</b>	<b>755.00</b>

#### 1.3 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the liquidator may divide amongst the members, in piece or kind, the whole or any part of the assets of the company, after distribution of all preferential amounts.

1.4 Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Komal Infotech Private Limited	Holding Company	47,83,910	47,83,910

### 1.5 Details of Shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Limited	4,783,910	63.36	4,783,910	63.36
Priti R. Shah	1,447,670	19.17	1,447,670	19.17
Rakesh R. Shah	636,090	8.42	636,090	8.42
Shaishav R. Shah	487,270	6.45	487,270	6.45

As per records of company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### 2. Reserves & Surplus

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>a. Securities Premium Account</b>		
As per Last Balance Sheet	<b>337.00</b>	337.00
<b>b. General Reserves</b>		
As per Last Balance Sheet	<b>168.23</b>	168.23
<b>c. Surplus/Deficit in statement of Profit and Loss</b>		
As per Last Balance Sheet	<b>1,362.93</b>	1,189.16
Add : Profit For the Year	<b>409.31</b>	219.21
Less: Proposed Dividend	<b>37.75</b>	37.75
Less: Tax on Proposed Dividend	<b>7.69</b>	7.69
	<b>1,726.80</b>	1,362.93
<b>Total</b>	<b>2,232.03</b>	<b>1,868.16</b>

### 3. Long-term Borrowings

(₹ in Lakhs)

Particulars	Non-Current		Current Maturities	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Secured Loans</b>				
<b>Term loans</b>				
<b>Rupee Loan</b>				
-From Others	<b>201.54</b>	180.57	<b>241.34</b>	138.83
(All above Vehicle loans are secured against Hypothecation of Vehicles)	<b>201.54</b>	180.57	<b>241.34</b>	138.83
Amount disclosed under the head *Other Current Liabilities (Refer Note - 7)	-	-	<b>241.34</b>	138.83
<b>Total</b>	<b>201.54</b>	180.57	<b>241.34</b>	138.83

\* The Vehicle loans carries rate of interest ranging from 9.45% to 13.00% p.a.

(Standalone)

**4. Other Long Term Liabilities**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Trade Payable Due to Others	9.27	18.84
<b>Total</b>	<b>9.27</b>	<b>18.84</b>

**5. Short-Term Borrowings**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>a) Secured Loans</b>		
Working capital facilities from State Bank of India	650.72	128.46
Working capital facilities from DCB Bank Limited (Secured against hypothecation of entire Stocks/Receivables & other Current Assets of the Company (both present and future on pari passu basis with the Banks & Personal Guarantee of Directors & their relatives)	243.18	109.68
	<b>893.90</b>	<b>238.14</b>
<b>b) Unsecured Loans</b>		
<b>(i) Loans from Related Parties</b>		
Komal Infotech Pvt Ltd	98.95	928.22
GSEC Aviation Ltd	-	10.65
Kalpavruksha Estate and Finance Pvt. Ltd.	-	73.42
Komal Infrastructure Pvt. Ltd.	-	19.88
	<b>98.95</b>	<b>1,032.17</b>
<b>(ii) Deposits</b>		
Director's Deposit	31.64	69.30
	<b>130.59</b>	<b>1,101.47</b>
<b>Total</b>	<b>1,024.49</b>	<b>1,339.61</b>

**6. Trade Payables**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Trade Payables - For Expenses	296.05	208.35
Others - For Purchases	2,337.78	630.05
<b>Total</b>	<b>2,633.83</b>	<b>838.40</b>

**7. Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
(a) Current maturities of long-term debt (Refer Note-3)	241.34	138.83
(b) Unclaimed dividends	2.08	3.61
(c) Statutory Dues Payables	112.81	41.66
(d) Trade/Security Deposit	120.48	12.58
(e) Advance from Customers	172.34	131.38
(f) Provision for bonus	20.76	16.12
(g) Other Liabilities	1.96	0.93
<b>Total</b>	<b>671.77</b>	<b>345.11</b>

(Standalone)

## 8. Short-term Provisions

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>(a) Provision for Employee Benefits*</b>		
Gratuity (Funded)	1.80	5.56
Leave Encashment (Unfunded)	14.07	12.91
	<b>15.87</b>	<b>18.47</b>
<b>(b) Other Provision</b>		
Proposed Dividend	37.75	37.75
Tax on Proposed Dividend	7.69	7.69
Others	19.82	23.43
	<b>65.26</b>	<b>68.87</b>
<b>Total</b>	<b>81.13</b>	<b>87.34</b>

\* Long Term and Short Term classification is done based on actuarial valuation certificate.

## 9. Fixed Assets

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2017	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2018	Balance as at April 1, 2017	Depreciation charge for the year	On disposals	Balance as at March 31, 2018	Balance as at March 31, 2018	Balance as at March 31, 2017
<b>a. Tangible Assets</b>										
Land - Freehold	20.93	-	-	20.93	-	-	-	-	20.93	20.93
Buildings	1,106.03	117.90	-	1,223.93	239.68	46.37	-	286.05	937.88	866.35
Plant and Equipment	414.94	45.71	-	460.65	160.89	34.68	-	195.57	265.08	254.05
Furniture and Fixtures	350.44	59.29	-	409.73	247.17	37.21	-	284.38	125.35	103.27
Vehicles	580.68	23.28	-	603.96	284.87	98.93	-	383.80	220.16	295.81
Office Equipment	455.48	62.49	-	517.97	397.17	42.78	-	439.95	78.02	58.31
Computers	127.82	11.46	-	139.28	109.69	12.58	-	122.27	17.01	18.13
A.C Machines & Plant	55.69	8.24	-	63.93	44.20	7.24	-	51.44	12.49	11.49
<b>Total</b>	<b>3,112.01</b>	<b>328.37</b>	<b>-</b>	<b>3,440.38</b>	<b>1,483.67</b>	<b>279.79</b>	<b>-</b>	<b>1,763.46</b>	<b>1,676.92</b>	<b>1,628.34</b>
<b>Previous Year</b>	<b>2,791.91</b>	<b>409.62</b>	<b>89.52</b>	<b>3,112.01</b>	<b>1,294.56</b>	<b>246.85</b>	<b>57.75</b>	<b>1,483.67</b>	<b>1,628.34</b>	<b>1,497.35</b>

(Standalone)

## 10. Non-Current Investments

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Trade Investments (Valued At Cost)</b>		
<b>Unquoted Investments:</b>		
<b>Non Traded Unquoted, fully paid-up In Wholly Owned Subsidiaries</b>		
50000 Equity Shares of GSEC Logistics Limited of Rs. 10/- each (P.Y.50000 Shares of Rs. 10/- Each)	5.00	5.00
10000 GSEC Green Energy Private Limited of Rs. 10/- each (P.Y. 10000 Shares of Rs. 10/- each)	1.00	1.00
	<b>6.00</b>	<b>6.00</b>
<b>Traded Quoted Investments:</b>		
73925 Equity Shares fully paid up of Re. 1/- each of Adani Enterprises Limited (P.Y.23925 Shares of Re. 1/- Each)	107.17	22.74
23925 Equity Shares fully paid up of Rs. 10/- each of Adani Transmission Limited (P.Y.23925 Shares of Rs. 10/- Each)	-	17.30
33789 Equity Shares fully paid up of Rs. 2/- each of Adani Port Special Economic Zone Limited (P.Y.33789 Shares of Rs. 2/- Each)	-	10.18
44490 Equity Shares fully paid up of Rs. 10/- each of Adani Power Limited (P.Y.44490 Shares of Rs. 10/- Each)	26.42	26.42
1000 Equity Shares fully paid up of Rs. 10/- each of Reliance Industries Limited (P.Y. 500 Shares of Rs. 10/- each)	3.88	3.88
6670 Equity Shares fully paid up of Rs. 10/- each of Tata Steel Limited (P.Y. 5750 Shares of Rs. 10/- each)	29.50	24.81
10000 Equity Shares fully paid up of Rs. 2/- each of AXIS Bank Limited (P.Y. 10000 Shares of Rs. 2/- Each)	40.36	40.36
10000 Equity Shares fully paid up of Re.1/- each of State Bank of India Limited (P.Y. 10000 Shares of Re. 1/- each)	-	29.99
25000 Equity Shares fully paid up of Re.1/- each of Cadila Healthcare Limited (P.Y. 25000 Shares of Re. 1/- each)	-	79.30
100000 Equity Shares fully paid up of Re.1/- each of Neela Infrastructure Limited (P.Y. 100000 Shares of Re. 1/- each)	11.72	11.72
250 Equity Shares fully paid up of Rs. 10/- each of GNFC Limited (P.Y. 250 Shares of Rs. 10/- each)	0.05	0.05
100 Equity Shares fully paid up of Re. 10/- each of PAN India Corporation Limited (P.Y. 100 Shares of Rs. 10/- each)	0.01	0.01
5 Equity Shares fully paid up of Re. 1/- each of Pentamedia Graphic Limited (P.Y. 5 Shares of Re. 1/- each)	0.00	0.00
13700 Equity Shares fully paid up of Re. 1/- each of Enrich Industries Limited (P.Y. 13700 Shares of Re. 1/- each)	0.69	0.69
<b>UNQUOTED INVESTMENTS</b>		
<b>667 Equity Shares of GITCO OF Rs.100 each</b> (P.Y. 667 Shares of Rs. 100/- each)	0.67	0.67
<b>Investments in Government Securities-Unquoted</b>		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.10
7 Years National Savings Certificates (Deposited with Governer of Karwar)	-	0.20
15000 Equity Shares of Kalapur Commercial Co.Op. Bank Limited of Rs. 25/- each (P.Y. 15000 Shares shares of Rs. 25/- each)	3.75	3.75
	<b>2 24.32</b>	<b>272.17</b>
<b>INVESTMENT IN PROPERTY</b>		
BLOCK D - Silver Arc Apartment	25.72	25.72
<b>Total</b>	<b>256.04</b>	<b>303.89</b>
Aggregate amount of Unquoted Investments	6.67	6.67
Aggregate amount of Quoted Investments (Market Value)	244.55	414.27

(Standalone)

**11. Long Term Loans & Advances (Unsecured, Considered Good)**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Capital Advance	41.00	30.00
Deposit and Balance with Government Authorities	3.81	4.11
Deposit with Others	19.17	20.22
Advance Income Tax (Net of Provisions)	12.74	42.40
Other Loans and Advances	247.56	111.90
<b>Total</b>	<b>324.28</b>	<b>208.63</b>

Advance income tax and provisions for taxation have been disclosed on net basis where a legal right to set off exists and the Company intends to settle the assets and liability on a net basis.

**12. Current Investments**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Investment in Mutual Fund</b>		
Principal Mutual Fund	-	250.00
SBI Duel Advantage Fund - Series XIX	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>255.00</b>

**13. Inventories (At Cost or net Realisable Value whichever is lower)**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Traded Goods	22.37	10.02
<b>Total</b>	<b>22.37</b>	<b>10.02</b>

**14. Trade Receivables**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Unsecured- Considered good</b>		
Outstanding for period exceeding six months	132.25	147.13
Other Receivables	3,351.08	710.45
	<b>3,483.33</b>	<b>857.58</b>
<b>Unsecured, considered doubtful</b>		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>3,483.33</b>	<b>857.58</b>

**15. Cash & Bank Balance**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>(I) Cash &amp; Cash Equivalents</b>		
Cash On Hand	5.20	3.36
Balances with Banks - In Current Accounts	88.08	350.07
<b>(II) Other Bank Balance</b>		
- In Fixed Deposit Accounts as Margin Money against Bank Guarantee (Maturity more than 3 Months but less than 12 Months)	578.19	665.69
-Unpaid Dividend Accounts	2.07	3.59
<b>Total</b>	<b>673.54</b>	<b>1,022.71</b>

(Standalone)

**16. Short-term Loans and Advances (Unsecured and Considered Good)**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Loans and Advances to Related Parties (Int. Free Loan)	518.67	581.30
Loans to Employees	9.47	8.52
Prepaid Expenses	35.08	86.04
<b>Balances with Government Authorities</b>		
GST Credit Receivable	9.27	-
Service Tax Credit Receivable	-	50.80
Sales Tax Credit Receivable	25.00	25.00
Other Loans and Advances	471.03	298.77
<b>Total</b>	<b>1068.52</b>	<b>1050.43</b>

**17. Other Current Assets (Unsecured and Considered Good)**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Interest accrued but Not Due	8.27	15.77
Investment in Silver Coins	0.61	0.61
<b>Total</b>	<b>8.88</b>	<b>16.38</b>

**18. Other Operating Revenues**

(₹ in Lakhs)

Particulars	2017-18	2016-17
Auction Sale	-	0.51
Commission Income	-	150.00
Consultancy income	252.00	52.00
<b>Total</b>	<b>252.00</b>	<b>202.51</b>

**19. Other Income**

(₹ in Lakhs)

Particulars	2017-18	2016-17
<b>Interest Income</b>		
- Interest on Bank Deposits	72.53	75.67
- Interest on I.T. Refund	7.23	-
- Interest on Entry Tax Tax Refund	-	17.13
<b>Other non-operating income :</b>		
Dividend Income From Non- Current	3.40	2.13
Profit on Sale of Mutual Fund	55.43	-
Profit on Sale of Fixed Assets	-	24.07
Profit on sale of Shares	221.44	-
Foreign Exchange Difference	0.26	5.55
Bad Debts Recover Account	3.25	4.75
Excess Provision for Earlier Year	11.18	1.87
Duty Drawback	-	0.47
Misc. Income	25.29	2.06
Rate Difference	0.57	0.25
Kasar/Discount	21.60	0.77
Other Income	-	27.28
Rent Income	2.02	4.24
<b>Total</b>	<b>424.20</b>	<b>166.24</b>

(Standalone)



**20. Change in Inventories of Finished Goods  
Lakhs)**

(₹ in

Particulars	2017-18	2016-17
<b>Inventories (at close)</b> Finished goods / Stock in trade	<b>22.37</b>	10.02
<b>Inventories( at commencement)</b> Finished goods / Stock in trade	<b>10.02</b>	10.02
<b>Total</b>	<b>(12.35)</b>	<b>0.00</b>

**21. Employee Benefits  
Lakhs)**

(₹ in

Particulars	2017-18	2016-17
(a) Salaries and incentives	<b>266.85</b>	231.58
(b) Remuneration to Directors	<b>97.15</b>	101.14
(c) Contributions to -		
(i) Provident and other fund	<b>12.84</b>	12.50
(ii) Gratuity fund	-	5.78
(d) Staff welfare expenses	<b>34.15</b>	19.08
<b>Total</b>	<b>410.99</b>	<b>370.08</b>

**22. Finance Cost  
Lakhs)**

(₹ in

Particulars	2017-18	2016-17
Interest Expense	<b>161.33</b>	148.90
Bank Charges	<b>3.01</b>	3.64
Other Borrowing Costs	<b>103.55</b>	82.77
<b>Total</b>	<b>267.89</b>	<b>235.31</b>

(Standalone)

### 23. Other Expenses

(₹ in Lakhs)

Particulars	2017-18	2016-17
Rent and License Fees	294.10	318.06
Land Lease Rent for Guest House	8.01	7.45
Rates and Taxes	3.15	3.15
Insurance	12.89	34.17
Employer/Employee Insurance	171.74	162.90
Electricity	59.79	57.57
Stationery and Printing	10.44	7.15
Postage and Telephone	15.40	15.39
Repair & Maintenance Charges		
- Building	478.92	234.23
- Others	5.30	2.23
Auditors Remuneration		
- Audit Fee	0.85	1.44
- Tax Audit Fee	0.15	0.17
Professional Fees and Legal Expenses	42.84	55.16
Detention Charges	132.17	-
Vehicle & Conveyance Expenses	25.93	23.72
Advertisement & Publicity Expenses	11.33	115.46
Travelling Expenses	135.10	95.81
Guest House Expenses	15.29	15.79
Miscellaneous Expenses	83.34	64.42
Director fees & travelling	1.90	2.15
Sales Promotion	188.63	39.41
Security Expenses	55.15	45.58
Royalty	536.36	436.14
Packing Materials	10.38	6.10
Donation	12.34	18.72
Bad Debts Written Off	41.62	334.82
Misc. Dr/Cr/Written off	12.31	1.76
Commission and Agency Commssion	0.73	26.15
Deputation Charges to Custom Department	-	34.00
Cargo Handling Expenses	46.91	24.21
Prior Period Expenses	1.67	-
Rate Difference Expenses	112.50	-
Advances Written Off	67.97	0.11
<b>Total</b>	<b>2,595.21</b>	<b>2,183.42</b>

(Standalone)

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### The Company and Nature of its Operations:

GSEC Limited, (CIN: U52100GJ1965PLC001347) which was a Government Company formerly known as Gujarat State Export Corporation Limited, is primarily engaged in the activities of Export - Import facilities and trading business. The Company is custodian of Air Cargo Complexes at Ahmedabad, Indore, Raipur and Visakhapatnam. At Raipur it operate the Air Cargo Complex under common user domestic air cargo terminal (CUDCT). At Visakhapatnam, it operates under an Operations and Maintenance Arrangement with Andhra Pradesh Trade Promotion Corporation Limited (APTPC). The Company also deals in trading of various including but not limited to Bitumen, Dyes, Chemicals, Caster oil, Textile and Petroleum Products etc.

### 24. Significant Accounting Policies:

#### 1. Basis for preparations of financial statements:

The financial statements are prepared in accordance with the generally accepted accounting principles ("GAAP") in India under the historical cost convention on an accrual basis and are in conformity with mandatory accounting standards, as prescribed under the Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

#### 2. Method of Accounting:

The books of accounts are maintained on accrual basis except income from Demurrage and Handling Charges on uncleared cargo at Air Cargo Complex, which are accounted on Cash Basis.

#### 3. Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction. Cost includes taxes, duties and other identifiable direct expenses.

#### 4. Depreciation:

(a) Depreciation on tangible assets is provided on written down value method over the useful lives of the assets as prescribed in Schedule II of the Companies Act, 2013.

Wherever the useful lives of the assets are mentioned in Schedule-II is over on or before 31-03-2014 from their acquisition year, after retaining 5% of the cost value as realizable value. The excess Written down value of such Assets are charged to Profit & Loss Account.

Where the details of the assets acquired prior to 01-04-2004 were not available, the year of acquisition of such Assets are taken a certified by Management.

(b) Depreciation is provided on pro-rata basis from the date of addition to fixed assets during the year.

#### 5. Investments:

Long term investment is stated at Cost of Acquisition. Provision for diminution in the value of Long Term Investment is made only if such decline is other than temporary.

Current investment are carried at the lower of cost and Quoted / Fair value.

#### 6. Inventories

Inventories are valued at cost or market value whichever is lower.

#### 7. Sales:

Revenue from Sale of Products is recognized on dispatch or appropriation of goods in accordance with the terms of sales and its exclusive of VAT Tax and other duties and charges.

(Standalone)

## 8. Taxes on income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized on timing difference, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognized only to that extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realized. The carrying amount of deferred tax is reviewed at each balance sheet date.

## 9. Foreign Currency Transaction:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions. Transactions outstanding at the year-end are translated at exchange rates prevailing at the year-end and the loss so determined and also the realized exchange gains/losses are recognized in the Profit & Loss Account.

## 10. Retirement Benefits:

Gratuity which is defined benefits is accrued based on actuarial valuation as at Balance Sheet date. The present value of the obligation is determined using the Projected Unit Credit method. The company has taken a policy under Group Gratuity Scheme of the Life Insurance Corporation of India.

Leave Encashment Salary which is defined benefit is accrued and provided for based on actuarial valuation as at Balance Sheet date at the end of the financial year.

Retirement benefits in the form of provident fund whether in pursuance of law or otherwise which is defined contribution scheme is accounted on the accrual basis and charged to profit and loss account.

## 25. Other Notes Forming Part Of Accounts:

### (i) Details of Payments to Auditor

(₹ in Lakhs)

Particulars	2017-18	2016-17
a. Auditor	1.00	1.01
b. For Taxation Matters	-	-
c. Certification(Included Fees and Legal Expenses.)	-	-
<b>Total</b>	<b>1.00</b>	<b>1.01</b>

(ii) Salaries and wages of ₹ 97.15 Lakhs (Previous Year ₹ 101.14 Lakhs) being the remuneration to Executive Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 197 read with Schedule V of the Companies Act, 2013.

(iii) Balance of debtors, creditors, loans and advances are subject to confirmation by the parties concerned and adjustment, if any.

(iv) Contingent Liabilities not provided for:

a. Claims against the company not acknowledged as debt of Rs. 61.86 Lakhs (Previous Year Rs. 92.86 Lakhs)

b. Bank Guarantee issued to Customs Department – Ahmedabad of Rs. 2974 Lakhs (Previous Year Rs. 2974 Lakhs)

c. Higher demand of Rs. 34.76 Lakhs including Interest for non payment of the demand raised by The Airport Director, Indore for Hanger Rent for the period from 01.04.2008 to 20.06.2013, as the Company has sought to reverse this amount on the basis of similar earlier reversal. The agreement for renewal of air cargo complex license which was due on 23.11.2011 is also not executed, pending Resolution of this dispute. However the work at Air Cargo Complex – Indore continues and Company has deposited Rs. Lakhs in 2013-14 under protest.

d. Demand raised in 2012-13 by Directorate of revenue intelligence for short payment of Custom Duty for Import of Bitumen at various ports of Rs. 310.26 Lakhs. As the custom department has adopted the value declared for imports is lower than the market value. The company has objected the above demand raised in show cause notice, hence no provision has been made in the books of accounts.

e. Demand raised in 2012-13 by The Asst. Commissioner of Commercial Tax, Flying Squad – Ahmedabad of Rs. 887.39 Lakhs for not allowing input credit of VAT on the purchases of Drinking Water Plant/Water Treatment Plant for the year 2007-08 and 2008-09, as the supplier from whom the purchases have been made have not paid the Vat tax collected from the company. As the company has preferred an appeal before higher authorities no provision in the account have been made. However, the Company has deposited Rs. 25 Lakhs under protest.

(v) Disclosures pursuant to Accounting Standard (AS) 15 (Revised)

**Employees Benefits:- Defined Benefits Plans as per Actuarial Valuation on March 31, 2018. (₹ In Lakhs)**

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
(1)	<b>The amounts recognized in the Balance Sheet as at the end of the year</b>				
	• Present Value of Funded Obligation	<b>(53.13)</b>	(51.90)	-	-
	• Fair Value of Plan Assets	<b>51.33</b>	46.34	-	-
	• Present Value of Unfunded Obligation	-	-	<b>14.08</b>	(12.91)
	• Net( Assets)/liability	<b>(1.80)</b>	<b>(5.56)</b>	<b>14.08</b>	<b>(12.91)</b>
(2)	<b>The amounts recognized in Profit and Loss Account for the year</b>				
	• Current Service Cost	<b>5.79</b>	4.68	<b>1.65</b>	1.31
	• Interest Cost	<b>0.41</b>	0.28	<b>0.94</b>	0.90
	• Expected Return on Plan Assets	-	-	-	-
	• Actuarial (Gains)/Losses	<b>(11.97)</b>	2.87	<b>(1.42)</b>	1.68
	• Actual Return on Plan Assets	<b>5.22</b>	-	-	-
	• Total Expenses	<b>(0.55)</b>	<b>7.38</b>	-	-
(3)	<b>The Changes in Obligations during the year</b>				
	• Present value of Defined benefit Obligation at the beginning of the year	<b>51.90</b>	43.82	<b>12.91</b>	11.26
	• Current Service Cost	<b>5.79</b>	4.68	<b>1.65</b>	1.31
	• Interest Cost	<b>3.78</b>	3.49	<b>0.94</b>	0.90
	• Actuarial (Gains)/Losses	<b>(12.04)</b>	2.70	<b>(1.42)</b>	1.68
	• Benefit Payments	<b>(1.53)</b>	(2.79)	<b>0.00</b>	(2.24)
	• Past Service Cost	<b>5.22</b>	-	-	-
	• Present value of Defined Benefit Obligation at the end of the year	<b>53.12</b>	<b>51.90</b>	<b>14.08</b>	<b>12.91</b>
(4)	<b>The changes in Plan Assets during the year</b>				
	• Plan Assets at the beginning of the year	<b>46.34</b>	40.31	-	-
	• Actuarial gains and (losses)	<b>(0.07)</b>	(0.17)	-	-
	• Contribution by Employer	<b>2.37</b>	5.78	-	-
	• Actual Benefit Paid	<b>(0.69)</b>	(2.79)	-	-
	• Plan assets at the end of the year	<b>51.33</b>	46.34	-	-
	• Actual return on Plan Assets	<b>3.38</b>	3.22	-	-

Sr. No.	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
(5)	<b>Actuarial Assumption:</b>		
	Discount Rate	7.83%	7.83%
	Turnover Rate	-	-
	Mortality		
	Salary Escalation Rate	7%	7%
	Retirement age	58 Years	58 Years

(Standalone)

(vii) Related Party Disclosure: As per Accounting Standard 18 (AS-18) Related Party disclosure issued by ICAI the disclosure of transaction with related parties as defined in AS-18 are given below:-

**A. List of Related Parties & Relationship:**

<b>Nature of Relationship</b>	<b>Name of Related Party</b>
<b>Holding Company</b>	Komal Infotech Private Limited
<b>Subsidiary Company</b>	GSEC Logistics Limited GSEC Green Energy Private Limited
<b>Fellow Subsidiary Company</b>	GSEC Aviation Limited Komal Infraventures Private Limited
<b>Key Management Personnel</b>	Rakesh Ramanlal Shah Samir Hanskumar Mankad Shaishav Rakeshkumar Shah Raji Shaishav Shah Priti Rakesh Shah
<b>Relative of Key Management Personnel</b>	GSEC Infrastructure Private Limited
<b>Other Related parties (Enterprise owned or significantly influenced by Key Management personnel)</b>	Kalpavruksha Estate And Finance Private Limited Keshav Land Developers Private Limited Prerak Capital Services Private Limited Vishwa Imports LLP

**B. Transaction during the year with related Parties: (Excluding Reimbursement):**

(₹ in Lakhs)

Nature of Transaction	Holding Company	Subsidiary Company		Fellow Subsidiary Sister Company	Other Related parties	Relative of Director	Key Management Personnel			
		Komal Infotech Pvt. Limited	GSEC Logistics Ltd				GSEC Green Energy Pvt. Limited	GSEC Aviation Limited	Kalpavruksha Estate And Finance Private Limited	Priti R. Shah
Rent Paid	-	-	-	-	-	24.96	-	3.10	-	-
Interest Paid	47.04	-	-	1.72	22.32	-	8.81	0.17	-	-
Interest Received	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	36.00	22.85	29.76	8.54
Advance Outstanding	(98.95)	374.39	144.29	304.66	19.64	-	(23.08)	(8.56)	-	-
Loan Taken	500.00	-	-	205.00	2740.00	-	589.00	14.33	-	-
Loan Granted	-	0.72	0.42	-	-	-	-	-	-	-
Loan Repaid	1371.60	-	-	520.66	28.53	-	640.80	8.27	-	-
Loan Repaid by	-	-	53.50	-	-	-	-	-	-	-

(viii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2018 amounting to ₹ (2.10) Lakhs (2016-17 ₹ 10.12 Lakhs) has been arrived at as follows.

(₹ In Lakhs)

Deferred Tax Assets arising from	2017-18	2016-17
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years		
Depreciation	8.20	3.23
Gratuity & Leave Encashment	0.39	1.42
Bonus Provision	1.53	1.20
Others	0.00	(7.95)
<b>Net deferred Tax Assets/(Liability)</b>	<b>10.12</b>	<b>(2.10)</b>

The tax impact for the above purpose has been arrived by applying a tax Rate of 33.063% being the prevailing tax rate for Indian companies under the Income Tax Act, 1961. Based on the management's estimate; the company would have sufficient Taxable Income in future to utilize credit available under the Income Tax Act, 1961.

(Standalone)

(ix) Earning per Share (EPS):

(₹ In Lakhs)

Particulars	2017-18	2016-17
Net profit/(Loss) after Tax	409.31	219.21
Number of Equity Share	7550000	7550000
Nominal Value of Equity Share	10.00	10.00
Basic & Diluted Earning Per Share (In ₹)	5.42	2.90

(x) Other information required in terms of Clause 5 (viii) of Part-II of Schedule III to the Companies Act, 2013.

Particulars	(₹ In Lakhs)	
	2017-18	2016-17
a C.I.F. value of imports of:		
Trading Goods	-	1107.35
Spare parts	-	-
Capital Goods	-	137.80
b Expenditure in Foreign Currency		
On Foreign Travel	63.56	33.23
Expenditure in Foreign Currency: on purchase of capital items	-	-
c Consumption of:		
i. Raw Materials	-	-
ii. Store and Spares Parts	-	-
d Remittance in Foreign Currency On accounts of Agency Commission	-	-
e Earning in Foreign Exchange (Value of Goods Exported)	-	-

(xi) As per the requirement of Schedule III of the Companies Act, 2013, the amounts of financial statements have been rounded off to the nearest lakhs of Rupees. Hence, the differences in total and sub-total of some items are inevitable.

## 26. Dividend Declaration for the year 2017-18

The Board has recommended dividend of ₹ 0.50/- Paise Per Equity share of ₹ 10/- each i.e. 5 % (P.Y. ₹ 0.50/- Paise per Equity share i.e. 5%) for the year ended 31<sup>st</sup> March, 2018 subject to the approval of the shareholders at the Annual General Meeting.

In pursuance to amended Companies (Accounting Standards) Rules, 2016 effective financial year 2017-18 and revised Accounting Standard-4 on "Contingencies and Events occurring after Balance Sheet Date", the proposed dividend of ₹ 37.75 Lakhs and taxes of ₹ 7.69 Lakhs thereon are not recognized as liability in the annual accounts of the financial year ending March, 31 2018.

## 27. Segment Information:

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS – 17) as notified by Companies Accounting Standards Rules, 2008, the company's primary business segments are Airport Service and Trading Activities which have got their own respective risk and return profiles.

(Standalone)

Financial information about the primary business segment for the year ended 31<sup>st</sup> March, 2018

(₹ In Lakhs)

	Cargo Handling Service		Trading Activities		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>A. Revenue</b>						
Services/Sales Revenue	3573.38	2975.17	34394.04	33465.68	37967.42	36440.85
Intersegment Revenue	-	-	-	-	-	-
Total Revenue	3573.38	2975.17	34394.04	33465.68	37967.42	36440.85
<b>B. Result</b>						
Segment Result Profit/Loss	3573.38	2975.17	99.25	228.29	3672.63	3203.46
Other Income excluding Interest Income					344.44	73.44
Other Unallocable Expenses					3286.00	2800.35
Operating Profit					731.07	476.55
Interest Income					79.76	92.80
Interest Expenses					267.89	235.31
Profit Before Tax					542.94	334.04
Provision For Income Tax (including Deferred Tax)					133.63	114.83
<b>Net Profit</b>					409.31	219.21
<b>C. Other Information</b>						
Capital Employed						
Segment Assets	2487.89	2378.98	4860.15	2495.16	7348.04	4874.14
Segment Liabilities	395.23	269.62	2548.59	1038.40	2943.82	1308.02
Other Unallocable Corporate Assets and Liabilities	-	-			(1371.73)	(942.96)
<b>Total Capital Employed</b>					3032.49	2623.16
Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	242.61	340.50	85.76	69.12	328.37	409.62
Other Unallocable Capital Expenditures	-	-	-	-	-	-
<b>Total</b>	242.61	340.50	85.76	69.12	328.37	409.62
<b>D. Segment Depreciation</b>	200.28	175.47	79.51	71.38	279.79	246.85
<b>E. Non Cash Expenses other than Depreciation</b>	0.00	0.00	41.62	334.82	41.62	334.82

Previous year's figures have been regrouped/reclassified whenever necessary to correspond with the current year's classification/disclosure.

**As per our attached report of even date  
For BJS & Associates  
Chartered Accountants  
Firm Registration No. 113268W**

**For and on behalf of Board of Directors**

**CA BIPIN J SHAH**  
Partner  
Membership No. 10712

**RAKESH SHAH**  
Chairman & Managing Director  
DIN : 00421920

**SAMIR MANKAD**  
CEO & Whole Time Director  
DIN : 00421878

**CHINTAN PATEL**  
Company Secretary  
M. No. A29326

**Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018**

**Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018**

(Standalone)



# INDEPENDENT AUDITOR'S REPORT

## To the Members of GSEC Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GSEC Limited (hereinafter referred to as "the Holding Company") and its subsidiary (The holding company and its subsidiary together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.(hereinafter referred to as 'the consolidated financial statements')

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for matters stated in section 134(5) of companies Act, 2013 ("the act") the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with rule 7 of companies (accounts) Rules, 2014. This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities ,selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b. in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(Consolidated)

c. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion proper books of account as required by law maintained by holding company, its subsidiary included in the group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and subsidiary.

c) Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group, including relevant records relating to the preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of its subsidiary, none of the directors of the Group company, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the holding Company and the subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The company does not have any pending litigations which would impact on the financial statements of the company.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018

For BJS & Associates  
Chartered Accountants  
Firm Registration No.:113268W

CA BIPIN SHAH  
Partner  
Membership No.: 10712

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of GSEC Limited (hereinafter referred to as "the Holding Company"), its subsidiary company which are incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The Respective Management of The Holding Company and its subsidiaries is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

(Consolidated)

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Holding Company and its subsidiaries, which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place: Ahmedabad**  
**Date: 28<sup>th</sup> August 2018**

**For BJS & Associates**  
**Chartered Accountants**  
**Firm Registration No.:113268W**

**CA BIPIN SHAH**  
**Partner**  
**Membership No.: 10712**

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018

(₹ in Lakhs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	755.00	755.00
(b) Reserves and Surplus	2	2149.32	1773.17
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term Borrowings	3	489.99	329.74
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long term Liabilities	4	9.27	18.84
(d) Long-Term Provisions		-	-
<b>4 Current liabilities</b>			
(a) Short-Term Borrowings	5	1481.75	1422.48
(b) Trade Payables	6	2633.82	849.90
(c) Other Current Liabilities	7	684.09	349.98
(d) Short-Term Provisions	8	81.13	87.32
<b>TOTAL</b>		<b>8284.38</b>	<b>5586.43</b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	2187.13	2196.23
(b) Non-Current Investments	10	250.19	298.04
(c) Deferred Tax Assets (Net)		90.18	80.06
(d) Long-Term Loans and Advances	11	344.33	238.16
<b>2 Current assets</b>			
(a) Current Investments	12	5.00	255.00
(b) Inventories	13	22.37	10.02
(c) Trade Receivables	14	3617.17	986.58
(d) Cash and Cash Equivalents	15	680.25	1025.52
(e) Short-Term Loans and Advances	16	1077.81	479.40
(f) Other Current Assets	17	9.93	17.42
<b>TOTAL</b>		<b>8284.38</b>	<b>5586.43</b>
Significant Accounting Policies & Notes on Financial Statements	24		

As per our attached report of even date

For BJS & Associates

Chartered Accountants

Firm Registration No. 113268W

For and on behalf of Board of Directors

**CA BIPIN J SHAH**

Partner

Membership No. 10712

**RAKESH SHAH**

Chairman & Managing Director

DIN : 00421920

**SAMIR MANKAD**

CEO & Whole Time Director

DIN : 00421878

**CHINTAN PATEL**

Company Secretary

M. No. A29326

Place: Ahmedabad

Date: 28<sup>th</sup> August 2018

Place: Ahmedabad

Date: 28<sup>th</sup> August 2018

(Consolidated)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ in Lakhs)

Particulars	Notes	2017-18	2016-17
<b>I. Revenue From Operations</b>			
Sale of Trading Goods		<b>34142.04</b>	33260.17
Sale of Services		<b>3573.38</b>	2975.17
Other Operating Revenues	18	<b>252.00</b>	202.51
Less:			
Excise duty		-	-
<b>II. Other Income</b>	19	<b>449.34</b>	166.24
<b>III. Total Revenue (I + II)</b>		<b>38416.76</b>	<b>36604.10</b>
<b>IV. Expenses:</b>			
Cost of Trading Goods Sold	20	<b>34307.14</b>	33234.39
Changes in Inventories of Stock-in Trade	21	<b>(12.35)</b>	-
Employee Benefits Expense	22	<b>411.00</b>	370.08
Finance Costs		<b>267.90</b>	235.40
Depreciation and Amortization Expense	23	<b>290.93</b>	270.74
Other expenses		<b>2596.02</b>	2188.39
<b>Total expenses</b>		<b>37860.63</b>	<b>36299.01</b>
<b>V. Profit before exceptional and extraordinary items and tax</b>	(III-IV)	<b>556.13</b>	305.09
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax</b>	(V - VI)	<b>556.13</b>	305.09
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax</b>	(VII- VIII)	<b>556.13</b>	305.09
<b>X Tax expense:</b>			
(1) Current tax		<b>143.60</b>	112.82
(2) Deferred tax		<b>(10.12)</b>	2.11
(3) Short Provision For Last Years		<b>1.06</b>	0.09
<b>XI Profit (Loss) for the period from continuing operations</b>	(IX-X)	<b>421.59</b>	190.07
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>XIV Profit/(loss) from Discontinuing operations (After tax)</b>	(XII-XIII)	-	-
<b>XV Profit (Loss) for the period</b>	(XI + XIV)	<b>421.59</b>	<b>190.07</b>
<b>XVI Earnings per equity share (in ₹)</b>		<b>5.58</b>	<b>2.52</b>

As per our attached report of even date  
For BJS & Associates  
Chartered Accountants  
Firm Registration No. 113268W

For and on behalf of Board of Directors

**CA BIPIN J SHAH**  
Partner  
Membership No. 10712

**RAKESH SHAH**  
Chairman & Managing Director  
DIN : 00421920

**SAMIR MANKAD**  
CEO & Whole Time Director  
DIN : 00421878

**CHINTAN PATEL**  
Company Secretary  
M. No. A29326

Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018

Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018

(Consolidated)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ in Lakhs)

PARTICULARS	For the Year ended 31 <sup>st</sup> March 2018	For the Year ended 31 <sup>st</sup> March 2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and exceptional items</b>	<b>412.39</b>	305.07
<b>Adjustments For:</b>		
Depreciation	<b>290.93</b>	271.17
Interest Paid	<b>267.89</b>	235.31
Interest received	<b>(72.54)</b>	(75.67)
(Profit)/Loss on Sale of Fixed Assets	<b>(13.46)</b>	(24.07)
Dividend Received	<b>(3.40)</b>	(2.14)
Rent Income	-	(3.36)
Misc.Dr./Cr. Written off	<b>121.90</b>	336.69
<b>Operating Profit before working capital changes</b>	<b>1003.70</b>	<b>1043.00</b>
<b>Movements in working capital</b>		
<b>Adjustment for Decrease (Increase) in operating assets</b>		
Decrease in Inventories	<b>(12.35)</b>	-
(Increase) in Trade and other Receivables	<b>(2752.48)</b>	1882.84
(Increase) in Short Term Loans and Advances	<b>(17.77)</b>	394.54
Decrease in other Current Assets	<b>7.50</b>	(10.29)
(Decrease) in Short Term Borrowings	<b>(314.40)</b>	(255.00)
Increase in Trade Payables	<b>1783.93</b>	(1947.65)
(Decrease) in other Current Liabilities	<b>334.11</b>	(18.90)
Increase in Short Term Provisions	<b>57.80</b>	(18.62)
(Decrease) in Short Borrowings	-	(123.95)
<b>Net Cash Flow from Operating Activities before tax and Exceptional Items (A)</b>	<b>(913.67)</b>	<b>(97.03)</b>
Taxes Paid	<b>(110.47)</b>	(98.07)
<b>Net cash generated from operating activities before exceptional items</b>	<b>(20.44)</b>	<b>847.90</b>
Exceptional Items	-	-
<b>Net cash generated from operating activities</b>	<b>(20.44)</b>	<b>847.90</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Increase in Margin Money	<b>89.02</b>	(36.52)
Purchase of Fixed Assets	<b>(328.37)</b>	(409.62)
Sale Proceeds of Fixed Assets	<b>60.00</b>	55.84
Interest received	<b>72.54</b>	75.67
Dividend Received on Investments	<b>3.40</b>	2.14
Purchase of Investments	<b>47.85</b>	0.00
Rent Received	-	3.36
Redemption of mutual Fund	<b>250.00</b>	-
Long Term Loans and Advances	<b>(115.66)</b>	(36.87)
<b>Net cash flow from investing activities</b>	<b>78.77</b>	<b>(346.00)</b>

(Consolidated)

<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Addition/Repayment of Secured/Unsecured Loans (Net)	<b>(58.08)</b>	(8.72)
Other Long Term Loans and Advances	<b>11.39</b>	9.11
Interest paid	<b>(267.89)</b>	(235.31)
<b>Net cash flow from financing activities</b>	<b>(314.58)</b>	<b>(234.92)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(256.25)</b>	<b>266.98</b>
Cash and cash equivalents at the beginning of the year	<b>356.25</b>	<b>89.27</b>
Cash and cash equivalents at the end of the year	<b>100.00</b>	<b>356.25</b>

**As per our attached report of even date**

**For BJS & Associates**

**Chartered Accountants**

**Firm Registration No. 113268W**

**For and on behalf of Board of Directors**

**CA BIPIN J SHAH**

**Partner**

**Membership No. 10712**

**RAKESH SHAH**

**Chairman & Managing Director**

**DIN : 00421920**

**SAMIR MANKAD**

**CEO & Whole Time Director**

**DIN : 00421878**

**CHINTAN PATEL**

**Company Secretary**

**M. No. A29326**

**Place: Ahmedabad**

**Date: 28<sup>th</sup> August 2018**

**Place: Ahmedabad**

**Date: 28<sup>th</sup> August 2018**



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

### 1. Share Capital

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	Number	Amount	Number	Amount
<b>Authorised</b> Equity Shares of Rs.10/- each	1,00,30,000	1,003.00	1,00,30,000	1,003.00
<b>Issued</b> Equity Shares of Rs.10/- each	75,50,000	755.00	75,50,000	755.00
<b>Subscribed &amp; fully Paid up</b> Equity Shares of Rs.10/- each	75,50,000	755.00	75,50,000	755.00
<b>Total</b>	<b>75,50,000</b>	<b>755.00</b>	<b>75,50,000</b>	<b>755.00</b>

1.1 33,00,000 shares out of the Equity Shares issued, subscribed & paid-up share capital were allotted as Bonus shares in the last five years by capitalisation of Securities Premium A/c & General Reserve.

1.2 The reconciliation of the number of shares outstanding is set out below:

(₹ in Lakhs)

Particulars	Equity Shares			
	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	75,50,000	755.00	75,50,000	755.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	75,50,000	755.00	75,50,000	755.00

### 1.3 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013

1.4 Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Equity Shares Komal Infotech Private Limited	Holding Company	47,83,910	47,83,910

### 1.5 Details of Shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Limited	47,83,910	63.36	47,83,910	63.36
Priti R. Shah	14,47,670	19.17	14,47,670	19.17
Rakesh R. Shah	6,35,940	8.42	6,35,940	8.42
Shaishav R. Shah	4,87,270	6.45	4,87,270	6.45

(Consolidated)

## 2. Reserves & Surplus

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>a. Securities Premium Account</b>		
Opening Balance	337.00	337.00
Add : Securities premium credited on Share issue		
Closing Balance	337.00	337.00
<b>Capital Reserve</b>	15.00	15.00
<b>b. General Reserves</b>		
Opening Balance	168.23	168.23
(+) Current Year Transfer	-	-
<b>(-) Amount Pursuant to Scheme of Amalgamation</b> [Refer Note No.24 (v) ]	-	-
Closing Balance	183.23	168.23
<b>c. Surplus/Deficit in statement of Profit and Loss</b>		
Opening balance	1252.94	1108.30
(+) Net Profit/(Net Loss) For the current year	421.59	190.07
(+) Transfer from Reserves	-	-
(-) Short Provision of income tax of earlier years	-	-
(-) Proposed Dividend	37.75	37.75
(-) Tax on Proposed Dividend	7.69	7.69
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	1629.09	1252.93
<b>Total</b>	<b>2149.32</b>	<b>1773.17</b>

## 3. Long-term Borrowings

(₹ in Lakhs)

Particulars	Non-Current		Current Maturities	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Secured Loans</b>				
<b>Term loans</b>				
<b>Rupee Loan</b>				
-From Banks	-	-	-	-
-From Others	201.54	180.57	241.34	138.83
(All above loans are secured against Hypothecation of Motor cars)				
Loan From Shaishav R. Shah	144.17	149.17	-	-
Loan From GSEC Limited	144.29	-	-	-
	489.99	329.74	241.34	138.83
Amount disclosed under the head *Other Current Liabilities (Note - 7)			241.34	138.83
<b>Total</b>	<b>489.99</b>	<b>329.74</b>	<b>241.34</b>	<b>138.83</b>

#### 4. Other Long Term Liabilities

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Trade Payable	9.27	18.84
<b>Total</b>	<b>9.27</b>	<b>18.84</b>

#### 5. Short-term Borrowings

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>a) Secured Loans</b>		
Working capital facilities from State Bank of India	650.72	128.46
Working capital facilities from DCB Bank Limited (Secured against hypothecation of entire Stocks/Receivables & other Current Assets of the Company (both present and future on pari passu basis with the Banks & Personal Guarantee of Directors & their relatives)	243.18	109.68
	<b>893.91</b>	<b>238.14</b>
<b>b) Unsecured Loans</b>		
(i) Loans repayable on demand	82.87	82.87
	<b>82.87</b>	<b>82.87</b>
(ii) Loans from Related parties		
KOMAL INFOTECH PRIVATE LIMITED	98.95	928.22
GSEC AVIATION LIMITED	-	10.65
GSEC LIMITED	374.39	-
KALPAVRUKSHA ESTATE AND FINANCE PRIVATE LIMITED	-	73.42
KOMAL INFRASTRUCTURE PRIVATE LIMITED	-	19.88
	<b>473.34</b>	<b>1032.17</b>
<b>(iii) Deposits</b>		
Director's Deposit	31.64	69.30
	<b>587.85</b>	<b>1184.34</b>
<b>Total</b>	<b>1481.75</b>	<b>1422.48</b>

#### 6. Trade Payables

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Trade Payables - For Expenses	296.05	208.35
Others - For Purchases	2,337.78	630.05
<b>Total</b>	<b>2,633.82</b>	<b>838.40</b>

#### 7. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
(a) Current maturities of long-term debt	241.34	138.83
(b) Unclaimed dividends	2.08	3.61
<b>Other payables (specify nature)</b>		
a) Statutory Dues Payables	112.81	41.66
b) Trade/Security Deposit	130.48	12.58
c) Advance from Customers	173.66	131.38
d) Provision for bonus	20.76	16.12
e) Other Liabilities	2.97	0.93
<b>Total</b>	<b>684.09</b>	<b>345.11</b>

(Consolidated)

## 8. Short-term Provisions

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>(a) Provision for employee benefits</b>		
Gratuity (Funded)	1.80	5.56
Leave Encashment (Unfunded)	14.08	12.91
	<b>15.87</b>	<b>18.47</b>
<b>(b) Others</b>		
Proposed Dividend	37.75	37.75
Tax on Proposed Dividend	7.69	7.69
Other Provisions	19.82	23.42
	<b>65.26</b>	<b>68.85</b>
<b>Total</b>	<b>81.13</b>	<b>87.32</b>

## 9. Fixed Assets

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2017	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2018	Balance as at April 1, 2017	Depreciation charge for the year	On disposals	Balance as at March 31, 2018	Balance as at March, 2018	Balance as at March, 2017
<b>a. Tangible Assets (Not Under Lease)</b>										
Land	395.47	-	-	395.47	-	-	-	-	395.47	395.47
Buildings	1269.19	117.90	-	1387.09	272.99	52.70	-	325.69	1061.40	996.20
Plant and Equipment	560.59	45.71	118.78	487.52	246.49	39.01	72.23	213.26	274.26	314.10
Furniture and Fixtures	355.02	59.29	-	414.31	250.54	37.54	-	288.09	126.23	104.47
Vehicles	581.17	23.28	-	604.45	285.28	98.96	-	384.24	220.21	295.89
Office Equipment	496.38	62.49	-	558.86	435.92	42.90	-	478.81	80.05	60.46
Computers	127.82	11.46	-	139.28	109.68	12.58	-	122.27	17.01	18.14
A.C Machines & Plant	55.69	8.24	-	63.93	44.20	7.24	-	51.43	12.50	11.49
<b>Total</b>	<b>3841.32</b>	<b>328.37</b>	<b>118.78</b>	<b>4050.92</b>	<b>1645.10</b>	<b>290.93</b>	<b>72.23</b>	<b>1863.79</b>	<b>2187.13</b>	<b>2196.23</b>
<b>Previous Year's Details</b>	<b>3521.23</b>	<b>409.60</b>	<b>89.52</b>	<b>3841.31</b>	<b>1431.67</b>	<b>271.17</b>	<b>57.75</b>	<b>1645.09</b>	<b>2196.23</b>	<b>2089.56</b>

(Consolidated)

## 10. Non-Current Investments

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Other Investments</b>		
<b>Investment in Equity Instruments</b>		
<b>QUOTED INVESTMENTS</b>		
73925 Equity Shares fully paid up of Re. 1/- each of Adani Enterprises Limited (P.Y.23925 Shares of Re. 1/- Each)	107.18	22.74
23925 Equity Shares fully paid up of Re. 1/- each of Adani Transmission Limited (P.Y.23925 Shares of Rs. 10/- each)	0.00	17.30
33789 Equity Shares fully paid up of Re. 1/- each of Adani Port Special Economic Zone Limited (P.Y.33789 Shares of Rs. 2/- each)	0.00	10.18
44490 Equity Shares fully paid up of Re. 1/- each of Adani Power Limited (P.Y.44490 Shares of Rs. 10/- each)	26.41	26.41
1000 Equity Shares fully paid up of Rs. 10/-each of Reliance Industries Limited (P.Y. 500 Shares of Rs. 10/- each)	3.89	3.89
6670 Equity Shares fully paid up of Rs. 10/- each of Tata Steel Limited (P.Y. 5750 Shares of Rs. 10/- each)	29.50	24.81
10000 Equity Shares fully paid up of Rs. 2/- each of AXIS Bank Limited (P.Y. 10000 Shares of Rs. 2/- Each)	40.36	40.36
10000 Equity Shares fully paid up of Re.1/- each of State Bank of India Limited (P.Y. 10000 Shares of Re. 1/- each)	0.00	29.99
25000 Equity Shares fully paid up of Re.1/- each of Cadila Healthcare Limited (P.Y. 25000 Shares of Re. 1/- each)	0.00	79.30
100000 Equity Shares fully paid up of Re.1/- each of Neela Infrastructure Limited (P.Y. 100000 Shares of Re. 1/- each)	11.72	11.72
250 Equity Shares fully paid up of Rs. 10/- each of GNFC Limited (P.Y. 250 Shares of Rs. 10/- each)	0.05	0.05
100 Equity Shares fully paid up of Rs. 10/- each of PAN India Corporation Limited (P.Y. 100 Shares of Rs. 10/- each)	0.01	0.01
5 Equity Shares fully paid up of Re. 1/- each of Pentamedia Graphic Limited (P.Y. 5 Shares of Re. 1/- each)	0.00	0.00
13700 Equity Shares fully paid up of Re. 1/- each of Enrich Industries Limited (P.Y. 13700 Shares of Re. 1/- each)	0.69	0.69
<b>UNQUATED INVESTMENTS</b>		
667 Equity Shares of GITCO OF Rs.100/- each (P.Y. 667 Shares of Rs. 100/- each)	0.67	0.67
15000 Equity Shares of Kalupur Commercial Co.Op. Bank Limited of Rs. 25/- each (P.Y. 15000 Shares shares of Rs. 25/- each)	3.75	3.75
Investments in Government Securities-Unquoted		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.25
7 Years National Savings Certificates (Deposited with Governer of Karwar)	0.00	0.20
	<b>224.32</b>	<b>272.32</b>
<b>INVESTMENT IN PROPERTY</b>		
Block D - Silver Arc Apartment	25.72	25.72
<b>Total</b>	<b>250.04</b>	<b>298.04</b>

(Consolidated)

**11. Long Term Loans & Advances (Unsecured and Considered Good)**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Capital Advance	60.16	49.16
Deposit and Balance with Government Authorities	3.81	4.11
Deposit with Others	20.04	21.10
Advance Income Tax (Net of Provisions)	12.74	51.89
Other Loans and Advances	247.58	111.91
<b>Total</b>	<b>344.33</b>	<b>238.17</b>

**12. Current Investments**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Investment in Mutual Fund		
PRINCIPAL MUTUAL FUND	-	250.00
SBI Duel Advantage Fund - SERIES XIX	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>255.00</b>

**13. Inventories**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Trading Goods	22.37	10.02
<b>Total</b>	<b>22.37</b>	<b>10.02</b>

**14. Trade Receivables**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Unsecured- Considered good</b>		
Outstanding for period exceeding six months	266.08	273.11
Other Receivables	3351.09	713.47
	<b>3617.17</b>	<b>986.58</b>
<b>Unsecured, considered doubtful</b>		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>3617.17</b>	<b>986.58</b>

**15. Cash & Cash Equivalents**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>a. Balances with banks</b>		
- In Current Accounts	94.25	352.35
- In Fixed Deposit Accounts as Margin Money against Bank Guarantee	578.19	665.68
-Unpaid Dividend Accounts	2.07	3.59
<b>b. Cash on hand</b>	<b>5.74</b>	<b>3.90</b>
<b>Total</b>	<b>680.25</b>	<b>1,025.52</b>

(Consolidated)

**16. Short-term Loans and Advances (Unsecured and Considered Good)**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Loan and advances to related parties	518.68	10.26
Loans to Employees (Unsecured, considered good)	9.47	8.52
Prepaid Expenses (unsecured, considered good)	35.08	86.04
<b>Balances with Statutory/Government Authorized</b>		
CENVAT Credit Receivable	-	0.08
GST Credit Receivable	9.28	-
Service Tax Credit Receivable	-	50.80
Sales Tax Credit Receivable	25.00	25.00
	<b>78.83</b>	<b>170.44</b>
<b>Other Loans and Advances (Unsecured, including advance to Suppliers)</b>		
Unsecured, Considered Good	471.03	298.78
	<b>471.03</b>	<b>298.78</b>
<b>Advance Income Tax(Net of Provision)</b>	<b>9.28</b>	<b>0.00</b>
<b>Total</b>	<b>1077.81</b>	<b>479.47</b>

**17. Other Current Assets**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Interest accrued on FDR	8.27	15.77
Advance given to shilp Shree Associates	1.05	1.05
Investment in Silver Coins	0.61	0.61
<b>Total</b>	<b>9.93</b>	<b>17.42</b>

**18. Other Operating Revenues**

(₹ in Lakhs)

Particulars	2017-18	2016-17
Auction Sale	-	0.51
Commission Income	-	150.00
Consultancy income	252.00	52.00
<b>Total</b>	<b>252.00</b>	<b>202.51</b>

**19. Other Income**

(₹ in Lakhs)

Particulars	2017-18	2016-17
Interest Income	72.53	75.67
Interest on I.T. Refund	7.23	0.41
Entry Tax Refund - Karwar	-	17.13
Dividend Income	3.40	2.14
Income on Mutual Fund	55.43	-
Profit on Sale of Fixed Assets	13.46	24.07
Profit on sale of Shares	221.44	-
Foreign Exchange Difference	0.26	5.55
Bad Debts Recover Account	3.25	4.75
Excess Provision for Earlier Year	11.18	1.87
Duty Drawback	-	0.47
Misc. Income	25.29	2.06
Misc./Dr./Cr. Balance Written Back	11.69	-
Round Off	0.57	-
Kasar/Discount	21.60	1.02
Other Income	-	27.28
Rent Income	2.02	4.24
<b>Total</b>	<b>449.34</b>	<b>166.66</b>

(Consolidated)

**20. Change in Inventories of Finished Goods****(₹ in Lakhs)**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Inventories (at close)		
Finished goods / Stock in trade	<b>22.37</b>	10.02
Inventories( at commencement)		
Finished goods / Stock in trade	<b>10.02</b>	10.02
<b>Total</b>	<b>(12.35)</b>	<b>0.00</b>

**21. Employee Benefits****(₹ in Lakhs)**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
(a) Salaries and incentives	<b>266.85</b>	231.58
(b) Remuneration to Directors	<b>97.15</b>	101.14
(c) Contributions to		
(i) Provident and other fund	<b>12.84</b>	12.50
(d) Gratuity fund contributions	-	5.78
(e) Staff welfare expenses	<b>34.15</b>	19.08
<b>Total</b>	<b>411.00</b>	<b>370.08</b>

**22. Finance Cost****(₹ in Lakhs)**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Interest Expense	<b>161.33</b>	148.99
Bank Charges	<b>3.02</b>	3.64
Other Borrowing Costs	<b>103.55</b>	82.77
<b>Total</b>	<b>267.90</b>	<b>235.40</b>



### 23. Other Expenses

(₹ in Lakhs)

Particulars	2017-18	2016-17
Rent and License Fees	294.10	318.06
Land Lease Rent for Guest House	8.01	7.45
Rates and Taxes	3.16	5.93
Insurance	12.89	34.33
Employer/Employee Insurance	171.74	162.90
Electricity	59.92	58.45
Stationery and Printing	10.44	7.15
Postage and Telephone	15.40	15.39
Repairs, Maintenance & Renovation to Building	261.88	234.23
Auditors Remuneration	1.16	1.95
Fees and Legal Expenses	43.32	55.31
Vehicle Expenses	23.01	21.61
Detention Charges	132.17	-
Conveyance	2.91	2.11
Advertisement & Publicity Expenses	11.33	115.46
Travelling Expenses	135.13	95.81
Guest House Expenses	15.29	15.79
Miscellaneous Expenses	83.36	64.57
Director fees	1.90	2.15
Sales Promotion	188.63	39.41
Security Expenses	55.15	45.58
Royalty	536.36	436.14
Packing Materials	10.38	6.10
Donation	12.34	18.71
Bad Debts Written Off	41.62	334.82
Misc. Dr/Cr. Written off	12.32	2.37
Computer Repairing Expenses & Hardware Expenses	5.30	2.23
Commission	0.73	26.15
Deputation Charges to Custom Department	-	34.01
Cargo Handling Expenses/Ground Handling	263.95	24.20
Prior Period Expenses	1.67	-
Discount/Rate Difference Expenses	112.50	-
Advances Written off	67.96	-
<b>Total</b>	<b>2596.02</b>	<b>2188.39</b>

(Consolidated)

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 24. Significant Accounting Policies:

#### A. Basis of preparation of Consolidated Financial Statements

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

#### B. Principles of Consolidation

The consolidated financial statements relate to GSEC Limited ('the Company') and its subsidiary Companies. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

c) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.

d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

f) Gains /Losses arising on the direct sale by the company of its investments in subsidiaries or associated companies to third parties are transferred to consolidated statements of profit and loss. Such gains or losses are the difference between the sale proceeds and net carrying value of investments.

g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Surplus or deficits arising on sale of company's own shares held by its subsidiaries along with the tax thereon is taken to capital reserve.

#### C. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

#### D. Other significant accounting policies these are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

### 25. Other Notes Forming Part Of Accounts:

#### (i) Details of Payments to Auditor

(₹ in Lakhs)

Particulars	2017-18	2016-17
a. Auditor	1.00	1.01
b. For taxation matters	-	-
c. Certification (Included in Fees and Legal Expenses).	-	-
<b>Total</b>	<b>1.00</b>	<b>1.01</b>

(ii) Salaries and wages of ₹ 97.75 Lakhs (Previous Year ₹ 101.14 Lakhs) being the remuneration to Executive Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 197 read with Schedule V of the Companies Act, 2013.

(iii) Balance of debtors, creditors, loans and advances are subject to confirmation by the parties concerned and adjustment, if any.

(iv) Contingent Liabilities not provided for:

A. Claims against the company not acknowledged as debt of ₹ 61.86 Lakhs (Previous Year ₹ 92.86 Lakhs)

B. Bank Guarantee issued to Customs Department – Ahmedabad of ₹ 2974 Lakhs (Previous Year ₹ 2974 Lakhs)

C. Higher demand of ₹ 34.76 Lakhs including Interest for non-payment of the demand raised by The Airport Director, Indore for Hanger Rent for the period from 01.04.2008 to 20.06.2013, as the Company has sought to reverse this amount on the basis of similar earlier reversal. The agreement for renewal of air cargo complex license which was due on 23.11.2011 is also not executed, pending Resolution of this dispute. However the work at Air Cargo Complex – Indore continues and Company has deposited ₹ 35 Lakhs in 2013-14 under protest.

D. Demand raised in 2012-13 by Directorate of revenue intelligence for short payment of Custom Duty for Import of Bitumen at various ports of ₹ 310.26 Lakhs. As the custom department has adopted the value declared for imports is lower than the market value. The company has objected the above demand raised in show cause notice, hence no provision has been made in the books of accounts.

E. Demand raised in 2012-13 by The Asst. Commissioner of Commercial Tax, Flying Squad – Ahmedabad of ₹ 887.39 Lakhs for not allowing input credit of VAT on the purchases of Drinking Water Plant/Water Treatment Plant for the year 2007-08 and 2008-09, as the supplier from whom the purchases have been made have not paid the Vat tax collected from the company. As the company has preferred an appeal before higher authorities no provision in the account have been made. However, the Company has deposited ₹ 25 Lakhs under protest.

(v) Disclosures pursuant to Accounting Standard (AS) 15 (Revised)

**Employees Benefits:-** Defined Benefits Plans as per Actuarial Valuation on March 31, 2018.

(₹ In Lakhs)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
(1)	<b>The amounts recognized in the Balance Sheet as at the end of the year</b>				
	Present Value of Funded Obligation	(53.13)	(51.90)	-	-
	Fair Value of Plan Assets	51.33	46.34	-	-
	Present Value of Unfunded Obligation	-	-	14.08	(12.91)
	<b>Net( Assets)/liability</b>	<b>(1.80)</b>	<b>(5.56)</b>	<b>14.08</b>	<b>(12.91)</b>
(2)	<b>The amounts recognized in Profit and Loss Account for the year</b>				
	Current Service Cost	5.79	4.68	1.65	1.31
	Interest Cost	0.41	0.28	0.94	0.90
	Expected Return on Plan Assets	-	-	-	-
	Actuarial (Gains)/Losses	(11.97)	2.87	(1.42)	1.68
	Actual Return on Plan Assets	5.22	-	-	-
	<b>Total Expenses</b>	<b>(0.55)</b>	<b>7.38</b>	<b>-</b>	<b>-</b>

(Consolidated)

(3)	The Changes in Obligations during the year				
	Present value of Defined benefit Obligation at the beginning of the year	<b>51.90</b>	43.82	<b>12.91</b>	11.26
	Current Service Cost	<b>5.79</b>	4.68	<b>1.65</b>	1.31
	Interest Cost	<b>3.78</b>	3.49	<b>0.94</b>	0.90
	Actuarial (Gains)/Losses	<b>(12.04)</b>	2.70	<b>(1.42)</b>	1.68
	Benefit Payments	<b>(1.53)</b>	(2.79)	-	(2.24)
	Past Service Cost	<b>5.22</b>	-	-	-
	<b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>53.12</b>	<b>51.90</b>	<b>14.08</b>	<b>12.91</b>
(4)	The changes in Plan Assets during the year				
	Plan Assets at the beginning of the year	<b>46.34</b>	40.31	-	-
	Actuarial gains and (losses)	<b>(0.07)</b>	(0.17)	-	-
	Contribution by Employer	<b>2.37</b>	5.78	-	-
	Actual Benefit Paid	<b>(0.69)</b>	(2.79)	-	-
	Plan assets at the end of the year	<b>51.33</b>	46.34	-	-
	<b>Actual return on Plan Assets</b>	<b>3.38</b>	<b>3.22</b>	-	-

Sr. No.	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>(5)</b>	<b>Actuarial Assumption:</b>		
	Discount Rate	7.29%	7.29%
	Turnover Rate	-	-
	Mortality		
	Salary Escalation Rate	7%	7%
	Retirement age	58 Years	58 Years

(vi) Related Party Disclosure: As per Accounting Standard 18 (AS-18) Related Party disclosure issued by ICAI the disclosure of transaction with related parties as defined in AS-18 are given below

**A. Name of Related parties & Description of Relationship with whom Transactions where made during the year.**

Nature of Relationship	Name of Related Party
Holding Company	Komal Infotech Private Limited
Subsidiary Company	GSEC Logistics Limited GSEC Green Energy Private Limited
Fellow Subsidiary Company	GSEC Aviation Limited Komal Infraventures Private Limited

(Consolidated)

Key Management Personnel

Rakesh Ramanlal Shah  
Samir Hanskumar Mankad  
Shaishav Rakeshkumar Shah  
Raji S. Shah

Relative of Key Management Personnel

Priti Rakesh Shah  
GSEC Infrastructure Private Limited  
Kalpavruksha Estate And Finance Private Limited

Other Related parties (Enterprise owned or significantly influenced by Key Management personnel)

Keshav Land Developers Private Limited  
Prerak Capital Services Private Limited  
Vishwa Imports LLP

**B. Transaction during the year with related Parties (Excluding Reimbursement)**

(₹ in Lakhs)

Nature of Transaction	Holding Company	Fellow Subsidiary Company	Relative of Director	Key Management Personnel			
	Komal Infotech Pvt. Limited	GSEC Aviation Limited	Priti R. Shah	Rakesh R. Shah	Shaishav R. Shah	Samir H. Mankad	Raji S. Shah
Rent Paid	-	-	24.96	-	3.10	-	-
Interest Paid	47.04	1.72	-	8.81	0.17	-	-
Remuneration	-	-	-	36.00	22.85	29.76	8.54
Outstanding as on 31.03.2018	(98.95)	304.66	-	(23.08)	(8.56)	-	-
Loan Taken	500.00	205.00	-	589.00	14.33	-	-
Loan Repaid	1371.60	520.66	-	640.80	8.27	-	-

(vii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2018 at as follows.

(₹ in Lakhs)

Deferred Tax Assets arising from	2017-18	2016-17
Net deferred Tax Assets/(Liability)	90.18	80.06

The tax impact for the above purpose has been arrived by applying a tax Rate of 33.063% being the prevailing tax rate for Indian companies under the Income Tax Act, 1961. Based on the management's estimate; the company would have sufficient Taxable Income in future to utilize credit available under the Income Tax Act, 1961.

(viii) Earning per Share (EPS):

(₹ in Lakhs)

Particulars	2017-18	2016-17
Net profit (Loss) after Tax	421.59	190.07
Number of Equity Share	75,50,000	75,50,000
Nominal Value of Equity Share	10.00	10.00
Basic & Diluted Earning Per Share (In ₹)	5.58	2.52

(Consolidated)

(ix) Other information required in terms of Clause 5 (viii) of Part-II of Schedule III to the Companies Act, 2013

(₹ in Lakhs)

Particulars	2017-18	2016-17
a C.I.F. value of imports of:		
Trading Goods	-	1107.35
Spare parts	-	-
Capital Goods	-	137.80
b Expenditure in Foreign Currency		
On Foreign Travel	<b>63.56</b>	33.23
Expenditure in Foreign Currency: on purchase of capital items	-	-
c Consumption of:		
i. Raw Materials	-	-
ii. Store and Spares Parts	-	-
d Remittance in Foreign Currency On accounts of Agency Commission	-	-
e Earning in Foreign Exchange (Value of Goods Exported)	-	-

(x) As per the requirement of Schedule III of the Companies Act, 2013, the amounts of financial statements have been rounded off to the nearest lakhs of Rupees. Hence, the differences in total and sub-total of some items are inevitable.

## 26. Segment Information:

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS – 17) as notified by Companies Accounting Standards Rules, 2008, the company's primary business segments are Airport Service and Trading Activities which have got their own respective risk and return profiles.

Financial information about the primary business segment for the year ended 31st March, 2018

(₹ in Lakhs)

	Air Cargo		Trading Activities		Others		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>A. Revenue</b>								
Services/Sales Revenue	<b>3573.38</b>	2975.17	<b>34394.04</b>	33462.68	-	-	<b>37967.41</b>	36437.85
Intersegment Revenue	-	-	-	-	-	-	-	-
Total Revenue	<b>3573.38</b>	2975.17	<b>34394.04</b>	33462.68	-	-	<b>37967.41</b>	36437.85
<b>B. Result</b>								
<b>Segment Result Profit/Loss</b>	<b>3573.38</b>	<b>2975.17</b>	<b>99.25</b>	<b>228.29</b>	-	-	<b>3672.63</b>	<b>3203.46</b>
Other Income excluding Interest Income							<b>369.58</b>	73.44
Other Unallocable Expenses							<b>3297.95</b>	2829.62
Operating Profit							<b>744.26</b>	447.28
Interest Income							<b>79.76</b>	93.21
Interest Expenses							<b>267.90</b>	235.40
Profit Before Tax							<b>556.13</b>	305.09
Provision For Income Tax (including Deferred Tax)							<b>134.53</b>	115.02

(Consolidated)

<b>Net Profit After Tax</b>							<b>421.59</b>	190.07
<b>C. Other Information</b>								
Capital Employed								
Segment Assets	<b>4119.98</b>	2778.24	<b>3225.54</b>	2175.09	<b>938.85</b>	633.10	<b>8284.38</b>	5586.43
Segment Liabilities	<b>477.61</b>	269.74	<b>2278.83</b>	1287.01	<b>2578.18</b>	1456.07	<b>5334.62</b>	3012.82
Other Unallocable Corporate Assets and Liabilities	-	-	-	-	-	-	-	-
<b>Total Capital Employed</b>							<b>2949.76</b>	<b>2573.61</b>
Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	<b>242.61</b>	340.50	<b>85.76</b>	69.12	-	-	<b>328.37</b>	409.62
Other Unallocable Capital Expenditures	-	-	-	-	-	-	-	-
<b>Total</b>	<b>242.61</b>	340.50	<b>85.76</b>	69.12	-	-	<b>328.37</b>	409.62
<b>D. Segment Depreciation</b>	<b>188.26</b>	175.47	<b>102.67</b>	95.70	-	-	<b>290.93</b>	271.17
<b>E. Non-cash Expenses other than Depreciation</b>	-	-	<b>41.62</b>	334.82	-	-	<b>41.62</b>	334.82

Previous year's figures have been regrouped/reclassified whenever necessary to correspond with the current year's classification/disclosure.

**As per our attached report of even date  
For BJS & Associates  
Chartered Accountants  
Firm Registration No. 113268W**

**For and on behalf of Board of Directors**

**CA BIPIN J SHAH**  
Partner  
Membership No. 10712

**RAKESH SHAH**  
Chairman & Managing Director  
DIN : 00421920

**SAMIR MANKAD**  
CEO & Whole Time Director  
DIN : 00421878

**CHINTAN PATEL**  
Company Secretary  
M. No. A29326

**Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018**

**Place: Ahmedabad  
Date: 28<sup>th</sup> August 2018**

(Consolidated)

## NOTICE OF 52<sup>ND</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the **52<sup>ND</sup> ANNUAL GENERAL MEETING** of the Members of **GSEC LIMITED** will be held on **Friday, the 28<sup>th</sup> day of September, 2018** at **11:00 a.m.** at **Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009** to transact the following business:

### ORDINARY BUSINESS:-

- 1 To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company including audited Balance Sheet, as at 31st March, 2018, Statement of Profit and Loss and Cash Flow Statement for the year ended on 31st March, 2018 together with the Directors' Report and the Auditors' Report thereon.
- 2 To declare a dividend on equity shares for the Financial Year ended March 31, 2018.
- 3 To appoint a Director in place of Shri Samir Hanskumar Mankad (DIN: 00421878), who retires by rotation and being eligible seeks re-appointment.

### SPECIAL BUSINESS:-

- 4 Appointment of Shri Maheswar Sahu (DIN: 00034051) as an Independent Director of the company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to provision of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Maheswar Sahu (DIN: 00034051), who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 27, 2018 and who holds office till the conclusion of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Shri Maheshwar Sahu for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years."

- 5 Appointment of Smt. Raji Shaishav Shah (DIN: 06893581) as a Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Smt. Raji Shah (DIN: 06893581) who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 30, 2018 and holds office until the conclusion of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying the intention to propose appointment of Smt. Raji Shah as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

- 6 Appointment of Smt. Raji Shaishav Shah (DIN: 06893581) as a Whole-time Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and any other provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act along with rules made thereunder, approval be and is hereby granted for the appointment of Smt. Raji Shah (DIN: 06893581), as a Whole-time Director of the Company on the terms and conditions as stated below:

**(A) Tenure:** 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021

**(B) Salary:** Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding Rs. 18,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.



**(C) Increment:** An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount.

**(D) Perquisites:** In addition to the salary, the said Director shall be eligible for the following perquisites:

- I. Medical Reimbursement: Expenses incurred for self and her family subject to a ceiling of Rs. 24,000/- per year or Rs. 72,000/- over a period of three years.
- II. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- III. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- IV. Encashment of leave at the end of the tenure.
- V. Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.
- VI. In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

**RESOLVED FURTHER THAT** the said Director shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, she shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the above remuneration payable to her shall be subject to limits as may be prescribed from time to time under the provisions of the Companies Act, 2013, Schedule thereof and rules there under as well as any other statutory provision as may be applicable, including statutory modifications thereof, if any.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**NOTES:**

- 1 A member entitled to attend, and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member.
- 2 Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting right. In case the proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy cannot act as a proxy for any other person or shareholder.
- 3 A proxy, in order to be effective, must be received at the registered office of the company not less than 48 hours before the commencement of the meeting.
- 4 A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 5 Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 6 Only bonafide members of the company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- 7 Members are requested to bring their copies of Annual Report to the Meeting.
- 8 In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
- 9 Company has fixed 28th September, 2018 as record date for the purpose of determining the entitlement of dividend.

10 The unclaimed/unpaid dividend till the financial year ended March 31, 2010 has been transferred to the Investor Education and Protection Fund of the Central Government ("the Fund"). Shareholders are requested to note that once unpaid/unclaimed amounts are transferred to the Fund, no claim shall lie against the Fund or the Company. Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund. The Company has also written to the concerned shareholders intimating them their particulars of the equity shares due for transfer. No claim shall lie against the Company in respect of these equity shares post their transfer to Investor Education and Protection Fund. Upon transfer, the shareholders will be able to claim these equity shares only from the Investor Education and Protection Fund Authority by making an online application. The Company has already transferred 13,530 Equity Shares to the designated Account of IEPF during the year 2017-18.

11 Members are requested to intimate any change of name, address etc. to RTA i.e. M/s. Bigshare Services Private Limited at A/802, Samudra Complex, Near Klassic Gold Hotel, Off C GRoad, Ahmedabad-380009 or the Secretarial Department of the Company at registered office immediately.

12 Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the Company Secretary at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.

13 Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new share transfer form SH-4 for the same.

14 Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.

15 Members desiring for cancelling or making any variation in the details of nomination are required to submit SH 14 as prescribed by the Government and the form can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.

16 Members may also note that the Notice of the 52<sup>nd</sup> Annual General Meeting and the Annual Report for the financial period ended on 31.03.2018 will also be available on the Company's website [www.gsecl.co.in](http://www.gsecl.co.in) for their ownload.

17 The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the registered office address or e-mail their grievances/queries to the e-mail address: [cs@gsecl.co.in](mailto:cs@gsecl.co.in).

18 A Route Map showing the Directions to reach the venue of the 52<sup>nd</sup> Annual General Meeting is attached herewith as per the requirement of Secretarial Standards - 2 on General Meeting.

19 Details of Directors seeking appointment/re-appointment at the 52nd Annual General Meeting of the Company:

Name of Director	Shri Samir Hanskumar Mankad	Smt Raji Shaishav Shah	Shri Maheswar Sahu
Date of Birth	July 13, 1960	February 21, 1982	January 01, 1954
DIN	00421878	06893581	00034051
Date of Appointment	March 08, 2004	March 30, 2018	April 27, 2018
Relationship with Directors	None	Spouse of Shri Shaishav Shah Wholetime Director of the company and Daughter in-Law of Shri Rakesh Shah Managing Director of the company	None
Qualifications	B.E. (Mechanical), M.B.A.	B Com	B.Sc. (Engg.) in Electrical in 1977 from NIT, Rourkela and M.Sc. from University of Birmingham in 1994.
Expertise in functional area	Air Cargo operations, Logistics and allied services	Administrative and Finance	Strategic planning, policy making and implementation.
Board Membership in other Companies as on March 31, 2018	1. GSEC LOGISTICS LIMITED 2. GSEC AVIATION LIMITED	1. GSEC INFRASTRUCTURE PRIVATE LIMITED 2. GSEC GREEN ENERGY PRIVATE LIMITED 3. KOMAL INFRAVENTURES PRIVATE LIMITED 4. KOMAL INFOTECH PRIVATE LIMITED 5. KALPAVRUKSHA ESTATE AND FINANCE PRIVATE LIMITED	1. NATIONAL ALUMINIUM CO LTD 2. HEUBACH COLOUR PRIVATE LIMITED 3. GOLD PLUS GLASS INDUSTRY LIMITED 4. IRM ENERGY PRIVATE LIMITED 5. GIFT SEZ LIMITED 6. MAHINDRA WORLD CITY (JAIPUR) LIMITED 7. GVFL LIMITED 8. SOLVAY SPECIALITIES INDIA PRIVATE LIMITED 9. ASPIRE DISRUPTIVE SKILL FOUNDATION 10. SME MAVENS FOUNDATION 11. GVFL ADVISORY SERVICES LIMITED
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2018	NIL	NIL	Membership 01 and Chairmanship 01
Number of Shares held in the Company as on March 31, 2018	NIL	NIL	NIL

By Order of the Board of Directors,

**Chintan Patel**  
Company Secretary

**August 28, 2018**

**Registered Office:** 2<sup>nd</sup> Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad - 380 009.

## EXPLANATORY STATEMENT AS REQUIRED UNDER Section 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to certain Special Businesses mentioned in the accompanying Notice.

### Item No. 5

Shri Maheswar Sahu has been appointed by the Board of Directors of the Company as an Additional Director (Category: Independent ) with effect from April 27, 2018. He holds office until the ensuing Annual General Meeting under Section 161(1) of the Companies Act, 2013.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Shri Maheswar Sahu for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Shri Sahu has done B.Sc. (Engg.) in Electrical in 1977 from NIT, Rourkela and M.Sc. from University of Birmingham in 1994. He joined Indian Administrative Service (IAS) in 1980. He has served the Government of India and Government of Gujarat in various capacities for more than three decades before retiring as Additional Chief Secretary, Government of Gujarat in 2014. His career span includes more than 20 years of service in industry and more than 10 years of active involvement in PSU management. He had worked more than 3 years in United Nations Industrial Development Organization. He was instrumental in organization of four Vibrant Gujarat events. He served as director in many CPSEs. He was also Chairman/ Director in many State PSUs. His area of specialization includes strategic management, public administration, corporate governance etc. and extensive experience and expertise in his area will add tremendous value to the functioning of the Board and performance of the Company.

He does not hold any shares in the Company.

Shri Sahu has given his consent to act as a Director and he is not disqualified in terms of Section 164 of the Companies Act, 2013 for being appointed as Director.

The Company has received declaration from him that he meets with the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Rules made thereunder.

The Board is of the opinion that Shri Sahu fulfills the conditions specified in the said Act and the Rules made thereunder and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and he is independent of the management. Shri Sahu is proposed to be appointed as an Independent Director for a term of 5 years up to April 26, 2023. The Company has received the notice from member proposing candidature of Shri Sahu for the appointment as a Director.

The Board recommends the Resolution set out under item no. 5 for approval of members.

Except Shri Sahu, being an Appointee, none of the other Directors of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

The Company is not required to appoint Key Managerial Personnel in the Company.

### Item No. 6 & 7

Smt. Raji Shaishav Shah was appointed as an Additional Director on the Board of the Company with effect from March 30, 2018 in accordance with the provisions of Section 161 of the Companies Act, 2013. At the same meeting, the Board also appointed Smt. Raji Shah as a Whole Time Director for a period of three years from April 01, 2018 on the terms and conditions as set out below as approved by the Board, subject to approval of the members at the ensuing Annual General Meeting (AGM).

As company needs such profile who looks after company's day to day affairs including financial activities, appointment of Smt. Raji Shah is found most suitable for the said post. After considering the same, the Board recommends her appointment as a Whole time Director of the Company in best interests of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Smt. Raji Shah will hold office upto the date of ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Smt. Raji Shah for the office of Director.

The proposal for the appointment of Smt. Raji Shah as a Whole-time Director of the Company as per the terms and conditions mentioned below, is therefore placed before the members for approval.

The details of remuneration payable to Smt. Raji Shah and the terms and conditions of the appointment are given below:

**Tenure:** 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021

**(A) Salary:** Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding ₹ 18,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

**(B) Increment:** An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount.

**(C) Perquisites:** In addition to the salary, the said Director shall be eligible for the following perquisites:

- I. Medical Reimbursement: Expenses incurred for self and her family subject to a ceiling of Rs. 24,000/- per year or Rs. 72,000/- over a period of three years.
- II. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- III. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- IV. Encashment of leave at the end of the tenure.
- V. Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.
- VI. In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

The Board recommends the Resolution set out under item no. 6 and 7 for approval of members.

Except Smt. Raji Shah, being an appointee and Shri Rakesh Shah, Managing Director, Shri Shaishav Shah Whole Time Director and their relatives, none of the other Directors of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 6 and 7.

The Company is not required to appoint Key Managerial Personnel in the Company.

#### STATEMENT PURSUANT TO CLAUSE (B) OF SECTION II OF PART-II OF SCHEDULE V OF THE COMPANIES ACT, 2013

##### I. GENERAL INFORMATION:

1	Nature of Industry	Air Cargo Services, export and trading activities.
2	Date or Expected Date of Commencement of Commercial Production	Not applicable as the company has already undertaken commercial activities long back.
3	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable

4	Financial performance based on given indicators. (₹ in Lakhs)		
	<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
	Total Income	<b>38,391.62</b>	36,604.10
	Profit Before Tax and Depreciation (Including Exceptional Item)	<b>822.73</b>	580.89
	Depreciation	<b>279.79</b>	246.85
	Profit Before Tax	<b>542.94</b>	334.04
	Tax	<b>133.63</b>	114.83
	Profit After Tax	<b>409.31</b>	219.21
	Equity Capital(face value ₹ 10/-)	<b>75,50,000</b>	75,50,000
Earnings per Share (₹)	<b>5.42</b>	2.90	
5	Export performance based on given indicators. (₹ in Lakhs)		
	<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
	Foreign Exchange Earning	-	-
	Foreign Exchange Outgo	-	33.23
6	Foreign Investments or Collaboration, if any.	The Company did not have any foreign investments or collaborations.	

## II INFORMATION ABOUT THE APPOINTEE:

**1 Background Details:** Smt. Raji Shah is holding the bachelor degree of commerce and possessing relevant experience in the field of finance and other relevant areas. She had acted as a Whole Time Director in the Company for the term April 1, 2016 to September 28, 2017.

**2 Past Remuneration:** Details of past remuneration paid is mentioned herein below:

Period	Remuneration Paid
April 1, 2016 to March 31, 2017	Rs. 17,09,000/-
April 1, 2017 to September 28, 2017	Rs. 8,54,340/-

**3 Recognition or awards: NIL**

**4 Job Profile and her suitability:** The Whole-time Director devotes her full time to the company and shoulders the responsibility towards the executive decision making and overall finance management. She also assists the Managing Director in the overall management and administration of the Company as and when needed.

Her experience in the field of finance, managerial aptitude and logical thinking is beneficial to the Company for bringing the new outlook into the Board of Directors. Considering this the Board of Directors has thought advisable to continue to avail her service as a Whole Time Director.

**5 Remuneration proposed:** As details given above.

**6 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :** Being in a service industry with the responsibility entrusted by the Government with no direct competitor, no such statistics is available or can be framed out.

**7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Smt. Raji Shah does not hold any shares in the company. She has no pecuniary relationship with the Company to be reported except to the extent of remuneration drawn by her.

She is spouse of Shri Shaishav Shah, Whole Time Director and daughter in law of Shri Rakesh Shah, Chairman and Managing Director.

### III OTHER INFORMATION:

**1 Reasons of Loss or Inadequate Profits:-**The Company's main operations i.e. air cargo handling and allied services are completely dependent on the imports and exports in and out of the state which are further dependent on the local and external environment. The Company is very prone, even to the small fluctuations in national and international economy.

Moreover, there is a direct involvement of the Government of India, through its various authorities and departments in the operations of the company. The handling and other service charges are decided directly by the concerned Department which naturally are highly customer friendly and hence render little room for the profitability for the company. Further, there are pretty high maintenance and operations costs have to be borne by the company mainly due to constantly increasing Government Royalty, space rent and other maintenance costs incurred for the latest high capacitive machineries and tools.

The trading business of petro chemicals, bitumen etc is also restricted to the number of industrial customers which are unlikely to fluctuate much. Hence, there is little room to increase the reach of the company to the whole new levels in short to medium term.

**2 Steps taken or proposed to be taken for improvement:** After acquiring the company from the then Government of Gujarat, lot of efforts were undertaken for redefining, restructuring and improvising the operations of the Company. The company has been now stabilized and has reached to the new level of growth thanks to the diversified businesses taken up and the team efforts of the new management.

The new air cargo complex with 8X capacity to handle the air cargo against the existing one has been built. Latest technology has been introduced and the operations has been completely redefined and made more customer friendly. The management of the company constantly looks after and categorizes the new avenues of businesses to add profitability. The company has also been moderate to aggressive in taking up the marketing efforts to increase its operations. The Company continues to focus on the quality of the services provided, upholding of its high business values, increase in its cost competitiveness. The company is expected to achieve new heights in terms of volume of operations and profitability in long term

**3 Expected increase in productivity and profits in measurable terms:** As already mentioned in Point no.1, being dependent on the external factors in terms of the main operations of the company, it is hard to project the future operations and profits. However, there is a strong content and dedication of the management of the company to register the growth in terms of increase in operations as well as the profitability of the company on a year to year basis.

**By Order of the Board of Directors,**

**Chintan Patel**  
**Company Secretary**

**August 28, 2018**

**Registered Office:** 2<sup>nd</sup> Floor, Gujarat Chamber's Building,  
Ashram Road, Ahmedabad - 380 009.

# GSEC LIMITED

CIN: U52100GJ1965PLC001347

Reg. Office: Gujarat Chamber s' Building, Ashram Road, Ahmedabad-380009, Gujarat, INDIA.

Phone: 79-2655 4100/2657 5757 Fax: 79-26584040

E mail: [info@gsecl.co.in](mailto:info@gsecl.co.in)

## 52<sup>ND</sup> ANNUAL GENERAL MEETING - SEPTEMBER 28, 2018 AT 11.00 A.M.

DP. Id*		Name & address of the registered shareholder
Client Id*		
Regd. Folio No.		

I/We certify that I/We am/are a registered shareholder / proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 52<sup>nd</sup> Annual General Meeting of the Company being held on Friday 28<sup>th</sup> September, 2018 at 11:00 AM at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009.

\_\_\_\_\_  
**Signature of Member/s/ Proxy**

**NOTE:** A member or his duly appointed Proxy willing to attend the meeting must fill-up this Admission Slip and hand over at the entrance.

\* Applicable for shareholding in electronic form.



# GSEC LIMITED

CIN: U52100GJ1965PLC001347

Reg. Office: Gujarat Chamber s' Building, Ashram Road, Ahmedabad-380009, Gujarat, INDIA.

Phone: 79-2655 4100/2657 5757 Fax: 79-26584040

E mail: [info@gsecl.co.in](mailto:info@gsecl.co.in),

Form No MGT-11

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the companies (Management and Administration) Rules, 2014)

Name of the Member	
Registered Address	
E Mail Id	
Folio No./Client ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

**(1) Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Email ID:** \_\_\_\_\_ **Signature:** \_\_\_\_\_ **or falling him/her:**

**(2) Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Email ID:** \_\_\_\_\_ **Signature:** \_\_\_\_\_ **or falling him/her:**

**(3) Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Email ID:** \_\_\_\_\_ **Signature:** \_\_\_\_\_ **or falling him/her:**

as my/ our Proxy to attend and vote on poll for me/us on my/ our behalf at the 52<sup>nd</sup> Annual General Meeting of the Company to be held on Friday, the 28<sup>th</sup> September, 2018 at 11:00 AM at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009 and at any adjournment thereof and respect of such resolution mentioned below:

Resolution No.	Resolution	#Optional	
		For	Against
<b>Ordinary Business</b>			
1	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2	Declaration of Dividend on Equity Shares.		
3	Re-appointment of Shri Samir Hanskumar Mankad (DIN: 00421878), who retires by rotation.		
<b>Special Business</b>			
4	Appointment of Shri Maheswar Sahu (DIN: 00034051) as an Independent Director of the company.		
5	Appointment of Smt. Raji Shaishav Shah (DIN: 06893581) as a Director of the Company		
6	Appointment of Smt. Raji Shaishav Shah (DIN: 06893581) as a Whole-time Director of the Company.		

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of shareholder: \_\_\_\_\_

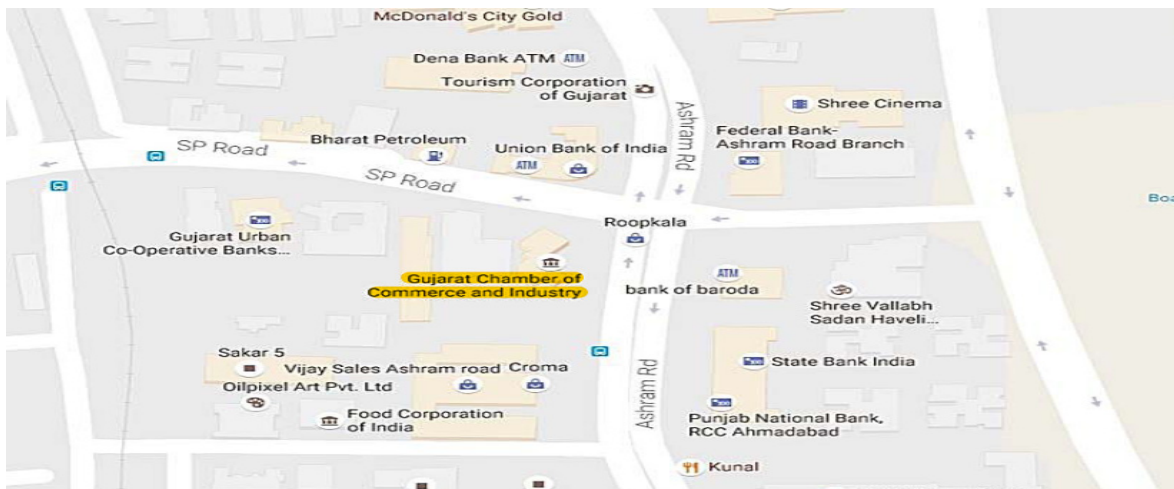
Signature of Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp

**NOTE:**

- 1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- 2 For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 52nd Annual General Meeting.
- #3 It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4 Please complete all details including details of member(s) in above box before submission.

**ROUTE MAP FOR AGM HALL - SHETH SRI KASTURBHAI LALBHAI HALL**







**REGD. OFFICE**

2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad - 380 009, Gujarat, INDIA.  
Ph.: +91-79-2655 4100 / 2657 5757 / 2658 5757 Fax: +91-79-2658 4040 E-mail info@gsecl.co.in

**AHMEDABAD**

Air Cargo Complex, Old Airport, Ahmedabad- 380 003.  
Ph.: +91-79-2286 4747 / 5656, Fax: +91-79-2286 4646

**INDORE**

DABH Airport, Old Airport Building, Domestic Cargo Terminal, Indore-452 005.  
Ph.: 0731-2977 774

**VISAKHAPATNAM**

C/o Andhra Pradesh Trade Promotion Corporation Limited, International Air Cargo Complex, Old Terminal Building, Visakhapatnam Airport, Visakhapatnam-530 009. Ph.: 0891-2794 199

**RAIPUR**

Swami Vivekananda Airport, Raipur (Chhattisgarh)-492 015  
Ph.: 0771-2418 577

[www.gsecl.co.in](http://www.gsecl.co.in)